

Office of Missouri State Auditor

Fiscal Notes Prepared by the Missouri State Auditor's Office in 2024

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
24-SJR 78	05/31/2024	Senate Substitute for Senate Joint Resolution No. 78 - Article VIII - Elections	06/28/2024
24-SJR 71	05/31/2024	Senate Substitute for Senate Committee Substitute for Senate Joint Resolution No. 71 - Article I - Salaries and Benefits for Law Enforcement Personnel	06/28/2024
24-SJR 26	06/01/2023	Senate Joint Resolution No. 26 - Article X - Property Tax Exemption for Certain Child Care Facilities	07/06/2023
24-174	03/08/2024	Proposal Related to Chapter 196, RSMo (Hirner) - Tobacco Tax	04/09/2024
24-173	02/20/2024	Proposed Constitutional Amendment - Article X (Hirner) - Local Tobacco Taxes	03/25/2024
24-172	12/04/2023	Proposed Constitutional Amendment - Article X (Hirner) - Local Tobacco Taxes	01/04/2024
24-171	11/21/2023	Proposed Constitutional Amendment - Article X (Hirner) - Local Tobacco Taxes	12/22/2023
24-170	11/14/2023	Proposed Constitutional Amendment - Article X, version 2 (Hirner) - Local Tobacco Taxes	12/18/2023
24-169	11/14/2023	Proposed Constitutional Amendment - Article X, version 1 (Hirner) - Local Tobacco Taxes	Withdrawn by Petitioner 11/20/2023
24-168	11/13/2023	Proposed Constitutional Amendment - Article XV (Franklin) - Advanced Practice Registered Nurses	12/11/2023
24-167	10/27/2023	Proposed Constitutional Amendment - Article XV (Franklin) - Advanced Practice Registered Nurses	Rejected by Secretary of State
24-166	10/16/2023	Proposed Constitutional Amendment - Article XV (Franklin) - Advanced Practice Registered Nurses	Rejected by Secretary of State
24-165	10/11/2023	Proposed Constitutional Amendment - Article III, version 4 (Bax) - Gaming Facility Licensing	11/14/2023
24-164	10/11/2023	Proposed Constitutional Amendment - Article III, version 3 (Bax) - Gaming Facility Licensing	11/14/2023
24-163	10/11/2023	Proposed Constitutional Amendment - Article III, version 2 (Bax) - Gaming Facility Licensing	11/14/2023
24-162	10/11/2023	Proposed Constitutional Amendment - Article III, version 1 (Bax) - Gaming Facility Licensing	11/14/2023
24-161	10/04/2023	Proposed Constitutional Amendment - Article III, version 8 (Cossette) - Sports Wagering	11/06/2023
24-160	10/04/2023	Proposed Constitutional Amendment - Article III, version 7 (Cossette) - Sports Wagering	11/06/2023
24-159	10/04/2023	Proposed Constitutional Amendment - Article III, version 6 (Cossette) - Sports Wagering	11/06/2023
24-158	10/04/2023	Proposed Constitutional Amendment - Article III, version 5 (Cossette) - Sports	11/06/2023

		Wagering	
24-157	10/04/2023	Proposed Constitutional Amendment - Article III, version 4 (Cossette) - Sports Wagering	11/06/2023
24-156	10/04/2023	Proposed Constitutional Amendment - Article III, version 3 (Cossette) - Sports Wagering	11/06/2023
24-155	10/04/2023	Proposed Constitutional Amendment - Article III, version 2 (Cossette) - Sports Wagering	11/06/2023
24-154	10/04/2023	Proposed Constitutional Amendment - Article III, version 1 (Cossette) - Sports Wagering	11/06/2023
24-153	10/04/2023	Proposed Constitutional Amendment - Article III, version 8 (Cossette) - Sports Wagering	Withdrawn by Petitioner 10/17/2023
24-152	10/04/2023	Proposed Constitutional Amendment - Article III, version 7 (Cossette) - Sports Wagering	Withdrawn by Petitioner 10/17/2023
24-151	10/04/2023	Proposed Constitutional Amendment - Article III, version 6 (Cossette) - Sports Wagering	Withdrawn by Petitioner 10/17/2023
24-150	10/04/2023	Proposed Constitutional Amendment - Article III, version 5 (Cossette) - Sports Wagering	Withdrawn by Petitioner 10/17/2023
24-149	10/04/2023	Proposed Constitutional Amendment - Article III, version 4 (Cossette) - Sports Wagering	Withdrawn by Petitioner 10/17/2023
24-148	10/04/2023	Proposed Constitutional Amendment - Article III, version 3 (Cossette) - Sports Wagering	Withdrawn by Petitioner 10/17/2023
24-147	10/04/2023	Proposed Constitutional Amendment - Article III, version 2 (Cossette) - Sports Wagering	Withdrawn by Petitioner 10/17/2023
24-146	10/04/2023	Proposed Constitutional Amendment - Article III, version 1 (Cossette) - Sports Wagering	Withdrawn by Petitioner 10/17/2023
24-145	10/03/2023	Proposed Constitutional Amendment - Article I (Keelin) - The Right to Informed Consent	11/03/2023
24-144	09/13/2023	Proposed Constitutional Amendment - Article I, version 6 (Bax) - Regulation of Firearms	10/11/2023
24-143	09/13/2023	Proposed Constitutional Amendment - Article I, version 5 (Bax) - Regulation of Firearms	10/11/2023
24-142	09/13/2023	Proposed Constitutional Amendment - Article I, version 4 (Bax) - Regulation of Firearms	10/11/2023
24-141	09/13/2023	Proposed Constitutional Amendment - Article I, version 3 (Bax) - Regulation of Firearms	10/11/2023
24-140	09/13/2023	Proposed Constitutional Amendment - Article I, version 2 (Bax) - Regulation of	10/11/2023

		Firearms	
24-139	09/13/2023	Proposed Constitutional Amendment - Article I, version 1 (Bax) - Regulation of Firearms	10/11/2023
24-138	09/11/2023	Proposed Constitutional Amendment - Article III, version 4 (Cossette) - Sports Wagering	10/11/2023
24-137	09/11/2023	Proposed Constitutional Amendment - Article III, version 3 (Cossette) - Sports Wagering	10/11/2023
24-136	09/11/2023	Proposed Constitutional Amendment - Article III, version 2 (Cossette) - Sports Wagering	10/11/2023
24-135	09/11/2023	Proposed Constitutional Amendment - Article III, version 1 (Cossette) - Sports Wagering	10/11/2023
24-134	08/30/2023	Proposed Constitutional Amendment - Article I, version 6 (Corley) - Reproductive Rights	10/02/2023
24-133	08/30/2023	Proposed Constitutional Amendment - Article I, version 5 (Corley) - Reproductive Rights	10/02/2023
24-132	08/30/2023	Proposed Constitutional Amendment - Article I, version 4 (Corley) - Reproductive Rights	10/02/2023
24-131	08/30/2023	Proposed Constitutional Amendment - Article I, version 3 (Corley) - Reproductive Rights	10/02/2023
24-130	08/30/2023	Proposed Constitutional Amendment - Article I, version 2 (Corley) - Reproductive Rights	10/02/2023
24-129	08/30/2023	Proposed Constitutional Amendment - Article I, version 1 (Corley) - Reproductive Rights	10/02/2023
24-128	08/14/2023	Proposed Constitutional Amendment - Article IX (Berry III) - School Choice	09/12/2023
24-127	08/08/2023	Proposed Constitutional Amendment - Article XII, version 4 (Cossette) - Amending the Constitution and Initiative Petitions	09/08/2023
24-126	08/08/2023	Proposed Constitutional Amendment - Article XII, version 3 (Cossette) - Amending the Constitution and Initiative Petitions	09/08/2023
24-125	08/08/2023	Proposed Constitutional Amendment - Article XII, version 2 (Cossette) - Amending the Constitution and Initiative Petitions	09/08/2023
24-124	08/08/2023	Proposed Constitutional Amendment - Article XII, version 1 (Cossette) - Amending the Constitution and Initiative Petitions	09/08/2023
24-123	08/04/2023	Proposed Constitutional Amendment - Article I (Keelin) - The Right to Informed Consent	Withdrawn by Petitioner 09/22/2023
24-122	07/31/2023	Proposed Constitutional Amendment - Article IX (Berry III) - School Choice	Rejected by Secretary of State
24-121	07/27/2023	Proposal Related to Chapter 71, RSMo (Brown Sr) - Shall Bellefontaine Neighbors Be Changed to East Castle Point City	Rejected by Secretary of State
24-120	07/27/2023	Proposed Constitutional Amendment - Article I (Keelin) - The Informed Consent Initiative	Rejected by Secretary of State
24-119	07/21/2023	Proposed Constitutional Amendment - Article I (Berry III) - Regulation of Firearms	08/23/2023
24-118	07/07/2023	Proposed Constitutional Amendment - Article I (Berry III) - Regulation of Firearms	Rejected by

			Secretary of State
24-117	06/30/2023	Proposed Constitutional Amendment - Article I (Edwards) - Regulation of Firearms	07/31/2023
24-116	06/28/2023	Proposed Constitutional Amendment - Article I, version 3 (Edwards) - Regulation of Firearms	Withdrawn by Petitioner 06/30/2023
24-115	06/28/2023	Proposed Constitutional Amendment - Article I, version 2 (Edwards) - Regulation of Firearms	07/31/2023
24-114	06/28/2023	Proposed Constitutional Amendment - Article I, version 1 (Edwards) - Regulation of Firearms	07/31/2023
24-113	06/27/2023	Proposal Related to Chapter 324, RSMo (Ketcher) - Local Transaction Taxes for Massage Therapists and Businesses	07/27/2023
24-112	05/15/2023	Proposed Constitutional Amendment - Article XIV (Pedersen) - Missouri Cannabis Restoration	06/12/2023
24-111	04/28/2023	Proposed Constitutional Amendment - Article XIV (Pedersen) - Missouri Cannabis Restoration	Rejected by Secretary of State
24-110	04/18/2023	Proposed Constitutional Amendment - Article VIII, version 4 (Brain) - Election Reform	05/16/2023
24-109	04/18/2023	Proposed Constitutional Amendment - Article VIII, version 3 (Brain) - Election Reform	05/16/2023
24-108	04/18/2023	Proposed Constitutional Amendment - Article VIII, version 2 (Brain) - Election Reform	05/16/2023
24-107	04/18/2023	Proposed Constitutional Amendment - Article VIII, version 1 (Brain) - Election Reform	05/16/2023
24-106	04/14/2023	Proposed Constitutional Amendment - Article I (Smith) - Relating to Validity and Recognition of Marriage	05/16/2023
24-105	04/14/2023	Proposal Related to Chapter 213, RSMo (Smith) - Definition of Sex	05/16/2023
24-104	03/29/2023	Proposed Constitutional Amendment - Article VIII, version 4 (Brain) - Election Reform	04/28/2023
24-103	03/29/2023	Proposed Constitutional Amendment - Article VIII, version 3 (Brain) - Election Reform	04/28/2023
24-102	03/29/2023	Proposed Constitutional Amendment - Article VIII, version 2 (Brain) - Election Reform	04/28/2023
24-101	03/29/2023	Proposed Constitutional Amendment - Article VIII, version 1 (Brain) - Election Reform	04/28/2023
24-100	03/20/2023	Proposed Constitutional Amendment - Article IV (Apple) - Election of Statewide Officeholders and Appointment of Executive Department Heads	04/18/2023
24-099	03/20/2023	Proposed Constitutional Amendment - Article I (Apple) - Gender Identity, Sexual Orientation and Civil Unions and Marriage	04/18/2023
24-098	03/16/2023	Proposed Constitutional Amendment - Article I (Smith) - Relating to Validity and Recognition of Marriage	Rejected by Secretary of State
24-097	03/16/2023	Proposal Related to Chapter 213, RSMo (Smith) - Definition of Sex	Rejected by Secretary of State
24-096	03/10/2023	Proposed Constitutional Amendment - Article VIII, version 4 (Steinbach) - Election Reform	04/11/2023
24-095	03/10/2023	Proposed Constitutional Amendment - Article VIII, version 3 (Steinbach) - Election Reform	04/11/2023
24-094	03/10/2023	Proposed Constitutional Amendment - Article VIII, version 2 (Steinbach) - Election Reform	04/11/2023
24-093	03/10/2023	Proposed Constitutional Amendment - Article VIII, version 1 (Steinbach) - Election Reform	04/11/2023

24-092	03/09/2023	Proposed Constitutional Amendment - Article VIII, version 5 (Steinbach) - Election Reform	04/11/2023
24-091	03/09/2023	Proposed Constitutional Amendment - Article VIII, version 4 (Steinbach) - Election Reform	04/11/2023
24-090	03/09/2023	Proposed Constitutional Amendment - Article VIII, version 3 (Steinbach) - Election Reform	04/11/2023
24-089	03/09/2023	Proposed Constitutional Amendment - Article VIII, version 2 (Steinbach) - Election Reform	04/11/2023
24-088	03/09/2023	Proposed Constitutional Amendment - Article VIII, version 1 (Steinbach) - Election Reform	04/11/2023
24-087	03/09/2023	Proposed Constitutional Amendment - Article I, version 11 (Fitz-James) - Reproductive Rights	Withdrawn by Petitioner 01/30/2024
24-086	03/09/2023	Proposed Constitutional Amendment - Article I, version 10 (Fitz-James) - Reproductive Rights	07/21/2023
24-085	03/09/2023	Proposed Constitutional Amendment - Article I, version 9 (Fitz-James) - Reproductive Rights	Withdrawn by Petitioner 01/30/2024
24-084	03/09/2023	Proposed Constitutional Amendment - Article I, version 8 (Fitz-James) - Reproductive Rights	Withdrawn by Petitioner 01/30/2024
24-083	03/09/2023	Proposed Constitutional Amendment - Article I, version 7 (Fitz-James) - Reproductive Rights	Withdrawn by Petitioner 01/30/2024
24-082	03/09/2023	Proposed Constitutional Amendment - Article I, version 6 (Fitz-James) - Reproductive Rights	Withdrawn by Petitioner 01/30/2024
24-081	03/09/2023	Proposed Constitutional Amendment - Article I, version 5 (Fitz-James) - Reproductive Rights	Withdrawn by Petitioner 01/30/2024
24-080	03/09/2023	Proposed Constitutional Amendment - Article I, version 4 (Fitz-James) - Reproductive Rights	Withdrawn by Petitioner 01/30/2024
24-079	03/09/2023	Proposed Constitutional Amendment - Article I, version 3 (Fitz-James) - Reproductive Rights	Withdrawn by Petitioner 01/30/2024
24-078	03/09/2023	Proposed Constitutional Amendment - Article I, version 2 (Fitz-James) - Reproductive Rights	Withdrawn by Petitioner 01/30/2024
24-077	03/09/2023	Proposed Constitutional Amendment - Article I, version 1 (Fitz-James) - Reproductive Rights	Withdrawn by Petitioner 01/30/2024
24-076	03/03/2023	Proposed Constitutional Amendment - Article III (Apple) - Initiative Petitions and Referendums	04/03/2023

24-075	03/02/2023	Proposed Constitutional Amendment - Article III (Apple) - Initiative Petitions and Referendums	04/03/2023
24-074	02/22/2023	Proposed Constitutional Amendment - Article III (Apple) - Referendums	03/27/2023
24-073	02/22/2023	Proposed Constitutional Amendment - Article IV (Apple) - Election of Statewide Office Holders and Appointment of Executive Department Heads	Withdrawn by Petitioner 03/28/2023
24-072	02/22/2023	Proposed Constitutional Amendment - Article I (Apple) - Gender Identity, Sexual Orientation, and Civil Unions and Marriage	Withdrawn by Petitioner 03/28/2023
24-071	02/17/2023	Proposed Constitutional Amendment - Article III, version 2 (Cooper) - Changes Impacting the General Assembly	03/30/2023
24-070	02/17/2023	Proposed Constitutional Amendment - Article III, version 1 (Cooper) - Changes Impacting the General Assembly	03/30/2023
24-069	02/14/2023	Proposed Constitutional Amendment - Article III (Apple) - Referendum Petitions	Withdrawn by Petitioner 02/22/2023
24-068	01/30/2023	Proposed Constitutional Amendment - Article VIII, version 5 (Steinbach) - Election Reform	03/01/2023
24-067	01/30/2023	Proposed Constitutional Amendment - Article VIII, version 4 (Steinbach) - Election Reform	03/01/2023
24-066	01/30/2023	Proposed Constitutional Amendment - Article VIII, version 3 (Steinbach) - Election Reform	03/01/2023
24-065	01/30/2023	Proposed Constitutional Amendment - Article VIII, version 2 (Steinbach) - Election Reform	03/01/2023
24-064	01/30/2023	Proposed Constitutional Amendment - Article VIII, version 1 (Steinbach) - Election Reform	03/01/2023
24-063	01/24/2023	Proposed Constitutional Amendment - Article III (Gross) - Changes Impacting the General Assembly	02/23/2023
24-062	01/23/2023	Proposed Constitutional Amendment - Article VIII (Steinbach) - Election Reform	02/23/2023
24-061	01/18/2023	Proposal Related to Chapter 290, RSMo, version 12 (von Glahn) - Employee Benefits	02/22/2023
24-060	01/18/2023	Proposal Related to Chapter 290, RSMo, version 11 (von Glahn) - Employee Benefits	02/22/2023
24-059	01/18/2023	Proposal Related to Chapter 290, RSMo, version 10 (von Glahn) - Employee Benefits	02/22/2023
24-058	01/18/2023	Proposal Related to Chapter 290, RSMo, version 9 (von Glahn) - Employee Benefits	02/22/2023
24-057	01/18/2023	Proposal Related to Chapter 290, RSMo, version 8 (von Glahn) - Employee Benefits	02/22/2023
24-056	01/18/2023	Proposal Related to Chapter 290, RSMo, version 7 (von Glahn) - Employee Benefits	02/22/2023
24-055	01/18/2023	Proposal Related to Chapter 290, RSMo, version 6 (von Glahn) - Employee Benefits	02/22/2023
24-054	01/18/2023	Proposal Related to Chapter 290, RSMo, version 5 (von Glahn) - Employee Benefits	02/22/2023
24-053	01/18/2023	Proposal Related to Chapter 290, RSMo, version 4 (von Glahn) - Employee Benefits	02/22/2023
24-052	01/18/2023	Proposal Related to Chapter 290, RSMo, version 3 (von Glahn) - Employee Benefits	02/22/2023
24-051	01/18/2023	Proposal Related to Chapter 290, RSMo, version 2 (von Glahn) - Employee Benefits	02/22/2023
24-050	01/18/2023	Proposal Related to Chapter 290, RSMo, version 1 (von Glahn) - Employee Benefits	02/22/2023
24-049	01/18/2023	Proposed Constitutional Amendment - Article VI, version 6 (Speidel) - Local Control by	02/22/2023

		Local Government	
24-048	01/18/2023	Proposed Constitutional Amendment - Article VI, version 5 (Speidel) - Local Control by Local Government	02/22/2023
24-047	01/18/2023	Proposed Constitutional Amendment - Article VI, version 4 (Speidel) - Local Control by Local Government	02/22/2023
24-046	01/18/2023	Proposed Constitutional Amendment - Article VI, version 3 (Speidel) - Local Control by Local Government	02/22/2023
24-045	01/18/2023	Proposed Constitutional Amendment - Article VI, version 2 (Speidel) - Local Control by Local Government	02/22/2023
24-044	01/18/2023	Proposed Constitutional Amendment - Article VI, version 1 (Speidel) - Local Control by Local Government	02/22/2023
24-043	01/13/2023	Proposed Constitutional Amendment - Article VIII (Steinbach) - Election Reform	02/15/2023
24-042	01/09/2023	Proposal Related to Chapter 290, RSMo, version 12 (von Glahn) - Minimum Wage and Employee Sick Time	02/07/2023
24-041	01/09/2023	Proposal Related to Chapter 290, RSMo, version 11 (von Glahn) - Minimum Wage and Employee Sick Time	02/07/2023
24-040	01/09/2023	Proposal Related to Chapter 290, RSMo, version 10 (von Glahn) - Minimum Wage and Employee Sick Time	02/07/2023
24-039	01/09/2023	Proposal Related to Chapter 290, RSMo, version 9 (von Glahn) - Minimum Wage and Employee Sick Time	02/07/2023
24-038	01/09/2023	Proposal Related to Chapter 290, RSMo, version 8 (von Glahn) - Minimum Wage and Employee Sick Time	02/07/2023
24-037	01/09/2023	Proposal Related to Chapter 290, RSMo, version 7 (von Glahn) - Minimum Wage and Employee Sick Time	02/07/2023
24-036	01/09/2023	Proposal Related to Chapter 290, RSMo, version 6 (von Glahn) - Minimum Wage and Employee Sick Time	02/07/2023
24-035	01/09/2023	Proposal Related to Chapter 290, RSMo, version 5 (von Glahn) - Minimum Wage and Employee Sick Time	02/07/2023
24-034	01/09/2023	Proposal Related to Chapter 290, RSMo, version 4 (von Glahn) - Minimum Wage and Employee Sick Time	02/07/2023
24-033	01/09/2023	Proposal Related to Chapter 290, RSMo, version 3 (von Glahn) - Minimum Wage and Employee Sick Time	02/07/2023
24-032	01/09/2023	Proposal Related to Chapter 290, RSMo, version 2 (von Glahn) - Minimum Wage and Employee Sick Time	02/07/2023
24-031	01/09/2023	Proposal Related to Chapter 290, RSMo, version 1 (von Glahn) - Minimum Wage and Employee Sick Time	02/07/2023
24-030	01/05/2023	Proposal Related to Chapter 290, RSMo, version 6 (D'Souza) - Employee Sick Time	02/06/2023
24-029	01/05/2023	Proposal Related to Chapter 290, RSMo, version 5 (D'Souza) - Employee Sick Time	02/06/2023
24-028	01/05/2023	Proposal Related to Chapter 290, RSMo, version 4 (D'Souza) - Employee Sick Time	02/06/2023
24-027	01/05/2023	Proposal Related to Chapter 290, RSMo, version 3 (D'Souza) - Employee Sick Time	02/06/2023
24-026	01/05/2023	Proposal Related to Chapter 290, RSMo, version 2 (D'Souza) - Employee Sick Time	02/06/2023
24-025	01/05/2023	Proposal Related to Chapter 290, RSMo, version 1 (D'Souza) - Employee Sick Time	02/06/2023

24-024	01/03/2023	Proposed Constitutional Amendment - Article III, version 5 (Apple) - Changes Impacting the General Assembly	02/03/2023
24-023	12/29/2022	Proposal Related to Chapter 290, RSMo, version 8 (Wise) - Minimum Wage	01/31/2023
24-022	12/29/2022	Proposal Related to Chapter 290, RSMo, version 7 (Wise) - Minimum Wage	01/31/2023
24-021	12/29/2022	Proposal Related to Chapter 290, RSMo, version 6 (Wise) - Minimum Wage	01/31/2023
24-020	12/29/2022	Proposal Related to Chapter 290, RSMo, version 5 (Wise) - Minimum Wage	01/31/2023
24-019	12/29/2022	Proposal Related to Chapter 290, RSMo, version 4 (Wise) - Minimum Wage	01/31/2023
24-018	12/29/2022	Proposal Related to Chapter 290, RSMo, version 3 (Wise) - Minimum Wage	01/31/2023
24-017	12/29/2022	Proposal Related to Chapter 290, RSMo, version 2 (Wise) - Minimum Wage	01/31/2023
24-016	12/29/2022	Proposal Related to Chapter 290, RSMo, version 1 (Wise) - Minimum Wage	01/31/2023
24-015	12/15/2022	Proposed Constitutional Amendment - Article VIII (Roland) - Election Reform	01/18/2023
24-014	12/15/2022	Proposed Constitutional Amendment - Article VIII (Roland) - Election Reform	01/18/2023
24-013	12/15/2022	Proposed Constitutional Amendment - Article VIII (Roland) - Election Reform	01/18/2023
24-012	12/12/2022	Proposed Constitutional Amendment - Article VIII (Apple) - Election Reform	01/10/2023
24-011	12/05/2022	Proposal Related to Chapters 286 & 143, RSMo (Apple) - Renewable Energy Project	01/06/2023
24-010	12/05/2022	Proposal Related to Chapter 192, RSMo (Apple) - Missouri Health Care Cooperative	01/06/2023
24-009	12/05/2022	Proposal Related to Chapters 130 & 143, RSMo (Apple) - Public Financing for Elections	01/06/2023
24-008	12/05/2022	Proposed Constitutional Amendment - Article VIII (Apple) - Election Reform	01/06/2023
24-007	12/05/2022	Proposed Constitutional Amendment - Article III (Apple) - Altering, Amending, or Repealing Enacted Initiative Petitions	01/06/2023
24-006	12/05/2022	Proposed Constitutional Amendment - Article III (Apple) - Locally Established Minimum Wage	01/06/2023
24-005	11/17/2022	Proposed Constitutional Amendment - Article III, version 4 - (Apple) - Changes Impacting the General Assembly	12/29/2022
24-004	11/17/2022	Proposed Constitutional Amendment - Article III, version 3 - (Apple) - Changes Impacting the General Assembly	12/29/2022
24-003	11/17/2022	Proposed Constitutional Amendment - Article III, version 2 - (Apple) - Changes Impacting the General Assembly	12/29/2022
24-002	11/17/2022	Proposed Constitutional Amendment - Article III, version 1 - (Apple) - Changes Impacting the General Assembly	12/29/2022
24-001	11/17/2022	Proposed Constitutional Amendment - Article III (Apple) - Initiative Petitions	12/29/2022



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

May 31, 2024

RECEIVED

MAY 31 2024

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Fiscal Note and Fiscal Note Summary Request for Senate Substitute for Senate Joint Resolution No. 78

Dear Mr. Fitzpatrick:

Enclosed please find a copy of Senate Substitute for Senate Joint Resolution No. 78 that was received by our office.

We are referring the enclosed joint resolution to you for the purposes of preparing a fiscal note and fiscal note summary in accordance with Sections 116.160.1, 116.170 and 116.175, RSMo. As you are aware, the fiscal note and fiscal note summary are required to be forwarded by you to our office within thirty days of receipt of the joint resolution, pursuant to Section 116.170, RSMo.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft
Secretary of State

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
SENATE SUBSTITUTE FOR

SENATE JOINT RESOLUTION NO. 78

102ND GENERAL ASSEMBLY
2024

3502S.03T

JOINT RESOLUTION

Submitting to the qualified voters of Missouri, an amendment repealing sections 2 and 3 of article VIII of the Constitution of Missouri, and adopting three new sections in lieu thereof relating to elections.

Be it resolved by the Senate, the House of Representatives concurring therein:

That at the next general election to be held in the
2 state of Missouri, on Tuesday next following the first Monday
3 in November, 2024, or at a special election to be called by
4 the governor for that purpose, there is hereby submitted to
5 the qualified voters of this state, for adoption or
6 rejection, the following amendment to article VIII of the
7 Constitution of the state of Missouri:

Section A. Sections 2 and 3, article VIII, Constitution
2 of Missouri, are repealed and three new sections adopted in
3 lieu thereof, to be known as sections 2, 3, and 24, to read as
4 follows:

Section 2. **[All]** Only citizens of the United States,
2 including occupants of soldiers' and sailors' homes, over
3 the age of eighteen who are residents of this state and of
4 the political subdivision in which they offer to vote are
5 entitled to vote at all elections by the people, if the
6 election is one for which registration is required if they
7 are registered within the time prescribed by law, or if the
8 election is one for which registration is not required, if

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

9 they have been residents of the political subdivision in
10 which they offer to vote for thirty days next preceding the
11 election for which they offer to vote: Provided however, no
12 person who has a guardian of his or her estate or person by
13 reason of mental incapacity, appointed by a court of
14 competent jurisdiction and no person who is involuntarily
15 confined in a mental institution pursuant to an adjudication
16 of a court of competent jurisdiction shall be entitled to
17 vote, and persons convicted of felony, or crime connected
18 with the exercise of the right of suffrage may be excluded
19 by law from voting.

Section 3. 1. All elections by the people shall be by
2 paper ballot or by any mechanical method prescribed by law.

3 2. Voters shall have only a single vote for each issue
4 on which such voter is eligible to vote. Voters shall have
5 the same number of votes for an office as the number of open
6 seats to be elected to such office at that election. Under
7 no circumstance shall a voter be permitted to cast a ballot
8 in a manner that results in the ranking of candidates for a
9 particular office. Notwithstanding any provision of this
10 subsection to the contrary, this subsection shall not apply
11 to any nonpartisan municipal election held in a city that
12 had an ordinance in effect as of November 5, 2024, that
13 permits voters to cast more than a single vote for each
14 issue or candidate on which such voter is eligible to vote.

15 3. All election officers shall be sworn or affirmed
16 not to disclose how any voter voted; provided, that in cases
17 of contested elections, grand jury investigations and in the
18 trial of all civil or criminal cases in which the violation
19 of any law relating to elections, including nominating
20 elections, is under investigation or at issue, such officers

21 may be required to testify and the ballots cast may be
22 opened, examined, counted, and received as evidence.

Section 24. 1. The person receiving the greatest
2 number of votes at a primary election as a party candidate
3 for an office shall be the only candidate for that party for
4 the office at the general election. The name of such
5 candidate shall be placed on the official ballot at the
6 general election unless⁹ removed or replaced as provided by
7 law.

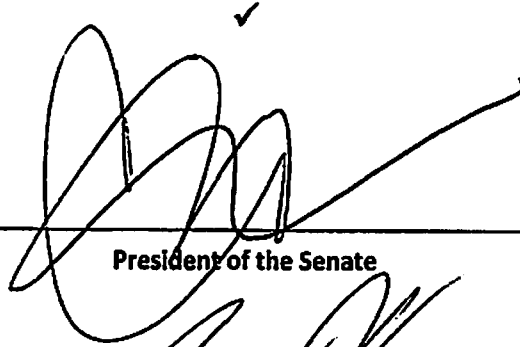
8 2. The person receiving the greatest number of votes
9 at the general election shall be declared the winner.

10 3. Notwithstanding any provision of this section to
11 the contrary, this section shall not apply to any
12 nonpartisan municipal election held in a city that had an
13 ordinance in effect as of November 5, 2024, that requires a
14 preliminary election at which more than one candidate
15 advances to a subsequent election.

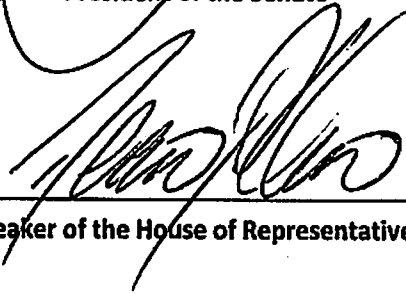
Section B. Pursuant to chapter 116, and other
2 applicable constitutional provisions and laws of this state
3 allowing the general assembly to adopt ballot language for
4 the submission of this joint resolution to the voters of
5 this state, the official summary statement of this
6 resolution shall be as follows:

7 "Shall the Missouri Constitution be amended to:
8 • Make the Constitution consistent with state
9 law by only allowing citizens of the United
10 States to vote;
11 • Prohibit the ranking of candidates by
12 limiting voters to a single vote per candidate
13 or issue; and

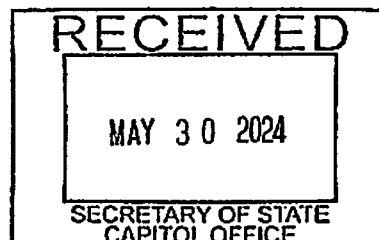
- 14 • Require the plurality winner of a political
15 party primary to be the single candidate at a
16 general election?".

✓


President of the Senate



Speaker of the House of Representatives



**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-SJR 78)**

Subject

Senate Substitute for Senate Joint Resolution No. 78. (Received May 31, 2024)

Date

June 20, 2024

Description

This proposal would amend Article VIII of the Constitution of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, and the **Clay County Board of Election Commissioners**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed SJR 78 and determined there would be no fiscal impact on their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated there is no impact to their department for this fiscal note.

Officials from the **Department of Health and Senior Services** indicated this SJR has no impact on their agency.

Officials from the **Department of Commerce and Insurance** indicated this resolution, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the Senate Substitute for Senate Joint Resolution No. 78 proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated this initiative petition will not have a fiscal impact on their department.

Officials from the **Department of Public Safety** indicated there is no impact to their department.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated from their department.

Officials from the **Governor's office** indicated this proposal relating to ranked voting does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated this will have no fiscal impact.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to ranked voting does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-SJR 78 a proposed amendment repealing sections 2 and 3 of Article VIII, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated 24-SJR No. 78 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no fiscal impact from SJR 78.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for Senate Substitute for Senate Joint Resolution No. 78 proposing to amend Article VIII.

Officials from **St. Louis County** indicated this constitutional amendment should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **University of Missouri** indicated they see no significant fiscal impact from this resolution.

Officials from the **St. Louis County Board of Elections** indicated they have reviewed Senate Joint Resolution No. 78 and see no fiscal impact to their operations.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no impact.

Officials from the **Platte County Board of Elections** indicated no fiscal impact directly on their board.

Officials from the **Jackson County Election Board** indicated this has no fiscal impact to their board.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, St. Louis Community College, the St. Charles County Election Authority, the Kansas City Board of Election Commissioners, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

May 31, 2024

RECEIVED

MAY 31 2024

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Fiscal Note and Fiscal Note Summary Request for Senate Substitute for Senate
Committee Substitute for Senate Joint Resolution No. 71

Dear Mr. Fitzpatrick:

Enclosed please find a copy of Senate Substitute for Senate Committee Substitute for Senate
Joint Resolution No. 71 that was received by our office.

We are referring the enclosed joint resolution to you for the purposes of preparing a fiscal note and
fiscal note summary in accordance with Sections 116.160.1, 116.170 and 116.175, RSMo. As you
are aware, the fiscal note and fiscal note summary are required to be forwarded by you to our office
within thirty days of receipt of the joint resolution, pursuant to Section 116.170, RSMo.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft
Secretary of State

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]

SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR

SENATE JOINT RESOLUTION NO. 71

102ND GENERAL ASSEMBLY
2024

4005S.03T

JOINT RESOLUTION

Submitting to the qualified voters of Missouri, an amendment repealing section 14 of article I of the Constitution of Missouri, and adopting one new section in lieu thereof relating to the administration of justice.

Be it resolved by the Senate, the House of Representatives concurring therein:

That at the next general election to be held in the
2 state of Missouri, on Tuesday next following the first Monday
3 in November, 2024, or at a special election to be called by
4 the governor for that purpose, there is hereby submitted to
5 the qualified voters of this state, for adoption or
6 rejection, the following amendment to article I of the
7 Constitution of the state of Missouri:

Section A. Section 14, article I, Constitution of
2 Missouri, is repealed and one new section adopted in lieu
3 thereof, to be known as section 14, to read as follows:

Section 14. 1. That the courts of justice shall be
2 open to every person, and certain remedy afforded for every
3 injury to person, property or character, and that right and
4 justice shall be administered without sale, denial or delay.

5 2. In order to ensure that all Missourians have access
6 to the courts of justice as guaranteed by this Constitution,
7 the administration of justice shall include the levying of
8 costs and fees to support salaries and benefits for

9 sheriffs, former sheriffs, prosecuting attorneys, former
10 prosecuting attorneys, circuit attorneys, and former circuit
11 attorneys.

Section B. Pursuant to chapter 116, and other
2 applicable constitutional provisions and laws of this state
3 allowing the general assembly to adopt ballot language for
4 the submission of this joint resolution to the voters of
5 this state, the official summary statement of this
6 resolution shall be as follows:

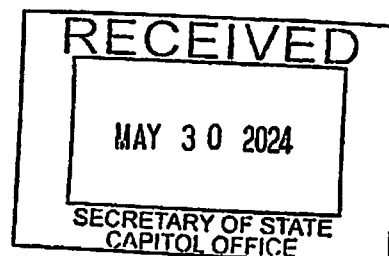
7 "Shall the Missouri Constitution be amended to
8 preserve funding of law enforcement personnel
9 for the administration of justice?".

✓


President of the Senate



Speaker of the House of Representatives



**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-SJR 71)**

Subject

Senate Substitute for Senate Committee Substitute for Senate Joint Resolution No. 71.
(Received May 31, 2024)

Date

June 20, 2024

Description

This proposal would amend Article I of the Constitution of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, and **The Metropolitan Police Department - City of St. Louis**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed SJR 71 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated there is no impact to their department for this fiscal note.

Officials from the **Department of Health and Senior Services** indicated this SJR has no impact on their agency.

Officials from the **Department of Commerce and Insurance** indicated this resolution, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for Senate Substitute for Senate Committee Substitute for Senate Joint Resolution No. 71 proposing to amend Article I.

Officials from the **Department of Revenue** indicated this initiative petition will not have a fiscal impact on their department.

Officials from the **Department of Public Safety** indicated there is no impact to their department.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated from their department.

Officials from the **Governor's office** indicated this proposal relating to the inclusion of court officer retirement costs in court costs and fees does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated this will have no fiscal impact.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to the inclusion of court officer retirement costs in court costs and fees does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-SJR 71 a proposed amendment repealing section 14 of Article I, there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender (SPD)** indicated 24-SJR 71 will have an unknown fiscal impact on SPD by possibly increasing the number of probation violation cases that SPD serves as counsel in because of the inability of SPD's indigent clients to pay these court costs and levies. SPD clients have all been deemed to be indigent but are still often assessed court costs and fees and when unable to pay because of their poverty, the SPD clients face a hearing for possible revocation of their probation. This change could result in an unknown number of additional probation revocation cases. For every additional 100 probation revocation cases SPD would need an additional attorney.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate an annual savings of approximately ~\$6,500 per year should SJR 71 pass.

Clay County covered the withholding cost (~\$6,500) for the Sheriff retirement upon the elimination of the court fee that had been funding the system. The county's understanding is this SJR reinstates that fee the courts had overturned, meaning there's the possibility of the withholding requirement going away.

Before the Supreme Court found the fees funding the Sheriff Retirement System unconstitutional, there was no cost to the County as the fees went from the Court to the System.

Once it was found unconstitutional, the General Assembly revised RSMo 57.961 to require elected Sheriffs to withhold 5% of pay to fund the System. Clay County covered this 5% cost for the Sheriff, in addition to providing the Sheriff their full salary. Clay County states that other counties did the same.

On the assumption/estimation that the fees would be reenacted upon voter approval of the SJR to amend the Missouri Constitution, the County reports it would likely cease this cost—presuming RSMo 57.961 would be revised once more.

Clay County states that this is an estimate, and they estimate \$6,500 in savings if the SJR passes.

Clay County reports they believe this is being withheld and taxed appropriately, but that the County essentially provided the Sheriff with a benefit of sorts.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for Senate Substitute for Senate Committee Substitute for Senate Joint Resolution No. 71 proposing to amend Article I.

Officials from **St. Louis County** indicated the fiscal impact of the proposed constitutional amendment on St. Louis County is unknown due to uncertainty over how much fees are collected and how they will be distributed.

Officials from the **City of Kansas City** indicated no fiscal impact except if a special election is called.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **University of Missouri** indicated the University of Missouri System does not anticipate a significant fiscal cost for this resolution.

Officials from the **Missouri Office of Prosecution Services** indicated there is no fiscal impact to MOPS.

Officials from the **Kansas City Board of Police Commissioners** indicated there will be no estimated cost or savings to KCPD.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, St. Louis Community College, and The Metropolitan Police Department - City of St. Louis.**

Explanation of exclusion of fiscal note information from the fiscal note summary:

Clay County discussed saving \$6,500 annually if this proposal is passed. It is not clear if the costs the county indicated (that are potentially being saved) are necessary or appropriate for the county to incur. Also, it is not clear what costs or fees will be established if the proposal passes since they are not included in the resolution. As a result, these potential savings are not included in the fiscal note summary.

The City of Kansas City indicated no fiscal impact except if a special election is called. The state would be responsible for the costs if a special election was called. It is unlikely a special election would be called. Such costs would occur before the proposal is voted on and would have no impact on the potential costs or savings specifically related to the resolution being voted on.

Fiscal Note Summary

State and local governmental entities estimate an unknown fiscal impact.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

June 1, 2023

RECEIVED

JUN 01 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Fiscal Note and Fiscal Note Summary Request for Senate Joint Resolution No. 26

Dear Mr. Fitzpatrick:

Enclosed please find a copy of Senate Joint Resolution No. 26 that was received by our office.

We are referring the enclosed joint resolution to you for the purposes of preparing a fiscal note and fiscal note summary in accordance with Sections 116.160.1, 116.170 and 116.175, RSMo. As you are aware, the fiscal note and fiscal note summary are required to be forwarded by you to our office within thirty days of receipt of the joint resolution, pursuant to Section 116.170, RSMo.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft
Secretary of State

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

FIRST REGULAR SESSION

[TRULY AGREED TO AND FINALLY PASSED]

SENATE JOINT RESOLUTION NO. 26

102ND GENERAL ASSEMBLY

2023

1079S.01T

JOINT RESOLUTION

Submitting to the qualified voters of Missouri, an amendment repealing section 6 of article X of the Constitution of Missouri, and adopting one new section in lieu thereof relating to a property tax exemption for certain child care facilities.

Be it resolved by the Senate, the House of Representatives concurring therein:

That at the next general election to be held in the
2 state of Missouri, on Tuesday next following the first Monday
3 in November, 2024, or at a special election to be called by
4 the governor for that purpose, there is hereby submitted to
5 the qualified voters of this state, for adoption or
6 rejection, the following amendment to article X of the
7 Constitution of the state of Missouri:

Section A. Section 6, article X, Constitution of Missouri,
2 is repealed and one new section adopted in lieu thereof, to be
3 known as section 6, to read as follows:

Section 6. 1. All property, real and personal, of the
2 state, counties and other political subdivisions, and
3 nonprofit cemeteries, and all real property used as a
4 homestead as defined by law of any citizen of this state who
5 is a former prisoner of war, as defined by law, and who has
6 a total service-connected disability, shall be exempt from
7 taxation; all personal property held as industrial
8 inventories, including raw materials, work in progress and
9 finished work on hand, by manufacturers and refiners, and
10 all personal property held as goods, wares, merchandise,

11 stock in trade or inventory for resale by distributors,
12 wholesalers, or retail merchants or establishments shall be
13 exempt from taxation; and all property, real and personal,
14 not held for private or corporate profit and used
15 exclusively for religious worship, for schools and colleges,
16 for purposes purely charitable, for agricultural and
17 horticultural societies, or for veterans' organizations may
18 be exempted from taxation by general law. In addition to
19 the above, household goods, furniture, wearing apparel and
20 articles of personal use and adornment owned and used by a
21 person in his home or dwelling place may be exempt from
22 taxation by general law but any such law may provide for
23 approximate restitution to the respective political
24 subdivisions of revenues lost by reason of the exemption.
25 All laws exempting from taxation property other than the
26 property enumerated in this article, shall be void. The
27 provisions of this section exempting certain personal
28 property of manufacturers, refiners, distributors,
29 wholesalers, and retail merchants and establishments from
30 taxation shall become effective, unless otherwise provided
31 by law, in each county on January 1 of the year in which
32 that county completes its first general reassessment as
33 defined by law.

34 2. All revenues lost because of the exemption of
35 certain personal property of manufacturers, refiners,
36 distributors, wholesalers, and retail merchants and
37 establishments shall be replaced to each taxing authority
38 within a county from a countywide tax hereby imposed on all
39 property in subclass 3 of class 1 in each county. For the
40 year in which the exemption becomes effective, the county
41 clerk shall calculate the total revenue lost by all taxing
42 authorities in the county and extend upon all property in

43 subclass 3 of class 1 within the county, a tax at the rate
44 necessary to produce that amount. The rate of tax levied in
45 each county according to this subsection shall not be
46 increased above the rate first imposed and will stand levied
47 at that rate unless later reduced according to the
48 provisions of subsection 3. The county collector shall
49 disburse the proceeds according to the revenue lost by each
50 taxing authority because of the exemption of such property
51 in that county. Restitution of the revenues lost by any
52 taxing district contained in more than one county shall be
53 from the several counties according to the revenue lost
54 because of the exemption of property in each county. Each
55 year after the first year the replacement tax is imposed,
56 the amount distributed to each taxing authority in a county
57 shall be increased or decreased by an amount equal to the
58 amount resulting from the change in that district's total
59 assessed value of property in subclass 3 of class 1 at the
60 countywide replacement tax rate. In order to implement the
61 provisions of this subsection, the limits set in section
62 11(b) of this article may be exceeded, without voter
63 approval, if necessary to allow each county listed in
64 section 11(b) to comply with this subsection.

65 3. Any increase in the tax rate imposed pursuant to
66 subsection 2 of this section shall be decreased if such
67 decrease is approved by a majority of the voters of the
68 county voting on such decrease. A decrease in the increased
69 tax rate imposed under subsection 2 of this section may be
70 submitted to the voters of a county by the governing body
71 thereof upon its own order, ordinance, or resolution and
72 shall be submitted upon the petition of at least eight
73 percent of the qualified voters who voted in the immediately
74 preceding gubernatorial election.

75 4. As used in this section, the terms "revenues lost"
76 and "lost revenues" shall mean that revenue which each
77 taxing authority received from the imposition of a tangible
78 personal property tax on all personal property held as
79 industrial inventories, including raw materials, work in
80 progress and finished work on hand, by manufacturers and
81 refiners, and all personal property held as goods, wares,
82 merchandise, stock in trade or inventory for resale by
83 distributors, wholesalers, or retail merchants or
84 establishments in the last full tax year immediately
85 preceding the effective date of the exemption from taxation
86 granted for such property under subsection 1 of this
87 section, and which was no longer received after such
88 exemption became effective.

89 5. Because the availability of childcare supports the
90 well-being of children, families, the workforce, and society
91 as a whole, all property, real and personal, used primarily
92 for the care of a child outside of his or her home may be
93 exempted from taxation by general law. If a portion of the
94 property of an individual or a for profit or nonprofit
95 corporation, organization, or association is used for such
96 childcare, an assessing authority may be authorized by
97 general law to exempt from the assessment, levy, and
98 collection of taxes such portion of the property of such
99 individual, corporation, organization, or association that
100 is used primarily for such childcare.

 Section B. Pursuant to chapter 116, and other
2 applicable constitutional provisions and laws of this state
3 allowing the general assembly to adopt ballot language for
4 the submission of this joint resolution to the voters of
5 this state, the official summary statement of this
6 resolution shall be as follows:

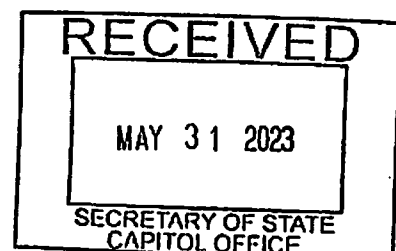
7 "Shall the Missouri Constitution be amended to
8 allow places where individuals, corporations,
9 organizations, and associations provide
10 childcare outside of the child's home to be
11 exempt from property tax? This is intended to
12 make childcare more available, which would
13 support the well-being of children, families,
14 the workforce, and society as a whole."

✓


President of the Senate



Speaker of the House of Representatives



**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-SJR 26)**

Subject

Senate Joint Resolution No. 26. (Received June 1, 2023)

Date

June 21, 2023

Description

This proposal would amend Article X of the Constitution of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office, the Department of Agriculture, the Department of Economic Development, the Department of Elementary and Secondary Education, the Department of Higher Education and Workforce Development, the Department of Health and Senior Services, the Department of Commerce and Insurance, the Department of Mental Health, the Department of Natural Resources, the Department of Corrections, the Department of Labor and Industrial Relations, the Department of Revenue, the Department of Public Safety, the Missouri Department of the National Guard, the Department of Social Services, the Governor's office, the Missouri House of Representatives, the Department of Conservation, the Department of Transportation, the Office of Administration, the Office of State Courts Administrator, the Missouri Senate, the Secretary of State's office, the Office of the State Public Defender, the State Treasurer's office, Adair County, Boone County, Callaway County, Cass County, Clay County, Cole County, Greene County, Jackson County, Jasper County, St. Charles County, St. Louis County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kansas City, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, Metropolitan Community College, University of Missouri, St. Louis Community College, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, Truman State University, and the Missouri State Tax Commission.**

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed SJR 26 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this resolution, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the Senate Joint Resolution No. 26 proposing to amend Article X.

Officials from the **Department of Revenue** indicated they note this is a property tax bill. Property tax is handled by the County Assessors and State Tax Commission. Their department defers to them for the fiscal impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated the estimated lost revenue to the Blind Pension Fund of \$0 in fiscal year (FY) 2024, up to \$397,715 in FY 2025, and up to \$397,715 in FY 2026.

Section A. Section 6, article X of the Missouri Constitution is amended to exempt from taxation all real and personal property used primarily for child care provided to children outside of their home.

Blind Pension is funded from 0.03% of each \$100 assessed valuation of taxable property.

Property Tax income for the BP fund in FY 2022 was \$39,771,524 or approximately \$39.8 million (rounded up). The amount collected from real and personal property used primarily for child care provided to children outside of their home is unknown. To determine the impact of this legislation, FSD made the assumption that up to 1% of all property is used to provide childcare. 1% of the property tax revenue collected for the BP fund is \$397,715 ($\$39,771,524 * .01 = \$397,715.24$, rounded down).

Therefore, the impact to the BP fund is up to \$397,715 beginning in SFY 25.

Officials from the **Governor's office** indicated this proposal relating to property taxes and child care centers does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated this senate joint resolution would have no fiscal impact for their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to property taxes and child care centers does not financially impact their office.

Per section 209.130, RSMo, an annual tax of three cents (\$.03) on each one hundred dollar (\$100) valuation of taxable property goes to fund the State of Missouri's Blind Pension Fund. The Blind Pension Fund pays monthly pension payments to individuals who are blind as provided by law. A reduction in overall taxable property could result in reduced proceeds to the Blind Pension Fund.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills

that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated SJR 26 should have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated after conferring with the Assessor, they conservatively estimate a real estate assessed value for child care locations of \$7,934,774. They also estimate an assessed personal property value of \$209,051. Using last year's certified assessed valuation totals, this imputes 0.1% of total county assessed value at \$5,758,018,600.

Accordingly, they conservatively estimate the fiscal impact of this SJR #26, if passed by the voters, to be (~\$720,856.06) in lost revenue due to the exemption. They derived this figure based on the Collector's annual settlement number for distributions on collections of 2022 tax bills at \$509,675,837.18. Of note, this would be for ALL taxing jurisdictions in

Clay County (including the State of Missouri's property tax levy portion \$2,443.15), not just the county itself.

The county's collection commission of 1.6% on that amount is (~\$11,533.70) in lost revenue to just the county. For the county itself, they also conservatively estimate only (~\$7,712.20) in lost revenue from the county's general and road & bridge combined levies of just \$0.0947 per \$100 assessed value. For the county's portion of its \$1.59 surtax, or 9.6%, it's another (~\$7,637.46) in lost revenue. The levies and surtax amounts are in the \$720,856.06 total in the previous paragraph. Combined is (\$26,883.36).

Officials from **Greene County** indicated it has been determined, that there will be an impact to the total tax collected for the County of Greene if SJR 26 becomes law.

The estimated total tax impact would be around \$1,392,049 less tax collected annually.

Officials from the **City of Kansas City** indicated the proposed amendment would have a negative fiscal impact on Kansas City in an indeterminate amount.

Officials from **Metropolitan Community College** indicated there would be a fiscal impact to their college for the part about Childcare, but at this time that information is unknown.

Officials from **University of Missouri** indicated there is no impact on their university from this resolution.

Officials from the **Missouri State Tax Commission** indicated SJR 26 will not have a fiscal impact on the State Tax Commission. It will reduce the amount of taxes collected by the political subdivisions but the commission does not have enough information on how many childcare facilities would qualify for the exemption or the amount of their assessment.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, St. Louis County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, St. Louis Community College, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate the state's Blind Pension Fund could have annual lost revenue of up to \$400,000. Local governments expect an unknown fiscal impact.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 8, 2024

RECEIVED

MAR 08 2024

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Deirdre Hirner regarding a proposed statutory amendment to Chapter 196 (2024-174)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Deirdre Hirner on March 7, 2024.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John Ashcroft, Secretary of State for the state of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[Official Ballot title]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Number) (Street), (City, Town, or Village)	ZIP CODE	CONGR. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis).

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age. I do ____ do not ____ (check one) expect to be paid for circulating this petition.

If paid, list the payer:

(Name of payer)

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Address of Affiant (Street, City, State & Zip Code)

Subscribed and sworn to before me this ____ day of _____, A.D. 202____.

Notary Public (Seal)

Signature of Notary

My commission expires _____

Address of Notary (Street, City, State & Zip Code)

Be it enacted by the people of the State of Missouri:

Section 196.1131 is enacted to read as follows:

196.1131. 1. For the sole and exclusive purpose of providing funding for treatment and prevention of childhood cancer, on and after January 1, 2025, a tax equal to ten cents before discounts and deals shall be levied and imposed upon the sale of each package of twenty cigarettes, or lesser portion thereof. The tax imposed by this section shall be in addition to other taxes imposed by law on the sale of cigarette packages and shall be collected in the same manner and at the same time as the taxes imposed by law upon the sale of packages of cigarettes.

2. The Childhood Cancer Treatment and Prevention Fund is hereby created within the state treasury which shall consist of funds from the taxes established in subsection 1 of this section, appropriated moneys, gifts, contributions, grants, or bequests.

3. Beginning January 1, 2025, the state treasurer without legislative action shall credit to and place in the Childhood Cancer Treatment and Prevention Fund all moneys collected as a result of the tax imposed by subsection 1 of this section as said moneys are received. All of the moneys from the tax imposed by this section shall be kept separate from the general revenue fund as well as any other funds or accounts in the state treasury and shall be credited to and placed only in the Childhood Cancer Treatment and Prevention Fund and the accounts created within the Childhood Cancer Treatment and Prevention Fund. Any moneys credited to and placed in the Childhood Cancer Treatment and Prevention Fund and any account created by this section shall be appropriated and used only for a purpose authorized by this section and shall not be subject to the provisions of section 33.080, RSMo. The unexpended balances of such moneys shall remain in the Childhood Cancer Treatment and Prevention Fund and in the particular account in which the moneys are placed, and such balances shall not revert to the general revenue fund. All interest which accrues upon the moneys in any account within the Childhood Cancer Treatment and Prevention Fund shall be added to such account and shall not be credited to the general revenue fund. Except as otherwise provided in this section, generally applicable laws concerning use of public funds shall apply to the Childhood Cancer Treatment and Prevention Fund.

4. The Children's Trust Fund Board shall administer the fund. The fund shall be used exclusively for the treatment and prevention of childhood cancers.

5. No funding from the Childhood Cancer Treatment and Prevention Fund shall be used to fund abortion. No funding from the Childhood Cancer Treatment and Prevention Fund shall be used for research which is banned by Missouri law.

6. (1) The actual costs of collecting the tax imposed by this section shall be paid from the moneys in the Childhood Cancer Treatment and Prevention Fund as may be provided by law, not to exceed five percent of the total moneys collected;

(2) The department of revenue shall refund moneys overpaid or erroneously paid pursuant to this section as may be provided by law; and

7. The state auditor shall perform an annual audit of the funds and initiatives undertaken pursuant to this section, which shall include an evaluation of whether pre-existing funding for programs or initiatives has been reduced because of the new funding for such purposes provided through the Childhood Cancer Treatment and Prevention Fund or any of its accounts. Such audit shall be performed on a fiscal year basis. The state auditor shall make copies of each audit available to the public. Every three years the state auditor shall prepare a comprehensive report assessing the work and progress of initiatives undertaken pursuant to this section. Such assessment report shall analyze the impact of the programs, grants, and contracts performed, shall be provided to the governor and the general assembly, and shall be available to the public.

8. The tax imposed by this section shall be imposed on all cigarettes in the possession or under the control of any dealer or distributor on and after 12:01 a.m. on January 1, 2025, as determined by department of revenue rule. The initiatives and programs authorized under this section shall be implemented as soon as reasonably practicable, but at least by July 1, 2025.

9. The net proceeds from the tax imposed by this section shall constitute new and additional funding for the initiatives and programs described in this section and shall not be used to replace existing funding as of July 1, 2025 for the same or similar initiatives and programs.

10. All of the provisions of this section shall be self-enforcing. All of the provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-174)**

Subject

Initiative petition from Deirdre Hirner regarding a proposed amendment to Chapter 196 of the Revised Statutes of Missouri. (Received March 8, 2024)

Date

March 28, 2024

Description

This proposal would amend Chapter 196 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Children's Trust Fund of Missouri**, and the **State Auditor's office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-174 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-174 proposing to amend Chapter 196, RSMo.

Officials from the **Department of Revenue** (DOR) indicated IP 24-174 attempts to levy a \$0.10 sales tax beginning January 1, 2025, on the price of cigarettes. The revenue generated from this new tax is to be deposited into the newly created "Childhood Cancer Treatment and Prevention Fund".

DOR notes that in FY23, \$63,622,252 in cigarette excise taxes were collected. At \$0.17 per pack (the current tax rate), DOR estimates approximately 374,248,541 packs of cigarettes were sold.

Numerous research reports indicate that when the price of cigarettes increases the quantity sold will decrease. The National Bureau of Economic Analysis notes the elasticity for cigarette sales between \$6.00 and \$6.50 per pack is -1.02 on average. In Missouri, the average price of cigarettes currently is \$6.11 per pack and per this proposal would increase to \$6.21 per pack.

Accounting for elasticity, DOR estimates that 368,102,453 packs of cigarettes would be sold. This new tax would generate \$36,810,245 (368,102,453 packs x \$0.10) annually in new sales tax revenues.

Additionally, this will reduce sales resulting in lower existing excise and sales tax collections. Using the information from above, DOR assumes this proposal could reduce excise tax collections by \$1,044,835 and state sales tax collections by \$1,586,598 annually. Using the location weighted average local sales tax rate of 6.32% for 2023, this proposal could reduce local sales tax collections by \$2,373,324 annually.

It should be noted that St. Louis County and Jackson County each levy their own excise tax on cigarettes. Lower demand could reduce the St. Louis County excise tax collections by \$35,310 and the Jackson County excise tax collections by \$25,750 annually.

Table 1: Estimated Revenue Impact by Source

State Funds	FY 2025	FY 2026+
Revenue gain from new sales tax		
Childhood Cancer Treatment and Prevention Fund	\$15,337,602	\$36,810,245
Excise revenue loss from lower demand		
Health Initiatives Fund	(\$102,435)	(\$245,844)
State Schools Money Fund	(\$230,478)	(\$553,148)
Fair Share Fund	(\$102,435)	(\$245,844)
	(\$435,348)	(\$1,044,835)
Sales tax revenue loss from lower demand		
General Revenue	(\$469,407)	(\$1,126,578)
School District Trust Fund (Prop C)	(\$156,469)	(\$375,526)
Conservation	(\$19,559)	(\$46,941)
DNR	(\$15,647)	(\$37,553)
	(\$661,082)	(\$1,586,598)
Total State Impact	\$14,241,172	\$34,178,812
Local Funds	FY 2025	FY 2026+
Excise revenue loss from lower demand		
St. Louis County	(\$14,713)	(\$35,310)
Jackson County	(\$10,729)	(\$25,750)
Sales tax revenue loss from lower demand		
Local Sales Tax	(\$988,885)	(\$2,373,324)
Total Local Impact	(\$1,014,327)	(\$2,434,384)

Table 2: Estimated Revenue Impact by Fund

<u>State Funds</u>	<u>FY 2025</u>	<u>FY 2026+</u>
Childhood Cancer	\$15,337,602	\$36,810,245
General Revenue	(\$469,407)	(\$1,126,578)
Education (SDTF)	(\$156,469)	(\$375,526)
Conservation	(\$19,559)	(\$46,941)
DNR	(\$15,647)	(\$37,553)
Health Initiatives Fund	(\$102,435)	(\$245,844)
State Schools Money Fund	(\$230,478)	(\$553,148)
Fair Share Fund	(\$102,435)	(\$245,844)
TSR Impact	\$14,241,172	\$34,178,812
<u>Local Funds</u>	<u>FY 2025</u>	<u>FY 2026+</u>
St. Louis County	(\$14,713)	(\$35,310)
Jackson County	(\$10,729)	(\$25,750)
Local Sales Tax	(\$988,885)	(\$2,373,324)
Total Local Impact	(\$1,014,327)	(\$2,434,384)

Officials from the **Department of Public Safety** indicated there is no impact for their department.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this initiative petition.

Officials from the **Governor's office** indicated this proposal relating to tobacco taxation does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-174 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal would create a \$0.10 sales tax beginning January 1, 2025. Revenue generated is to be deposited into the newly created "Childhood Cancer Treatment and Prevention Fund".

In FY23, \$63,622,252 in cigarette excise taxes were collected. At \$0.17 per pack, Budget & Planning (B&P) estimates that approximately 374,248,541 packs of cigarettes were sold.

However, the quantity of cigarettes sold declines when prices are increase. Based on data published by the National Bureau of Economic Analysis, the elasticity for cigarette sales between \$6.00 and \$6.50 per pack is -1.02 on average. The average price of cigarettes in Missouri is currently \$6.11 per pack. Under this proposal, the average price would increase to \$6.21 per pack. Therefore, B&P estimates that under this proposal only 368,102,453 packs of cigarettes would be sold.

Accounting for elasticity, B&P estimates that this proposal could generate \$36,810,245 (368,102,453 packs x \$0.10) annually in new sales tax revenues.

B&P notes that reduced sales will result in lower existing excise and sales tax collections. Using the above information, B&P estimates that this proposal could reduce excise tax collections by \$1,044,835 and state sales tax collections by \$1,586,598 annually. Using the location weighted average local sales tax rate of 6.32% for 2023, B&P estimates that this proposal could reduce local sales tax collections by \$2,373,324 annually.

B&P further notes that both St. Louis County and Jackson County levy their own excise tax on cigarettes. B&P estimates that lower demand could reduce the St. Louis County excise tax collections by \$35,310 and the Jackson County excise tax collections by \$25,750 annually.

Table 1: Estimated Revenue Impact by Source

<u>State Funds</u>	<u>FY 2025</u>	<u>FY 2026+</u>
Revenue gain from new sales tax		
Childhood Cancer Treatment and Prevention Fund	\$15,337,602	\$36,810,245
Excise revenue loss from lower demand		
Health Initiatives Fund	(\$102,435)	(\$245,844)
State Schools Money Fund	(\$230,478)	(\$553,148)
Fair Share Fund	(\$102,435)	(\$245,844)
	(\$435,348)	(\$1,044,835)
Sales tax revenue loss from lower demand		
General Revenue	(\$469,407)	(\$1,126,578)
School District Trust Fund (Prop C)	(\$156,469)	(\$375,526)
Conservation	(\$19,559)	(\$46,941)
DNR	(\$15,647)	(\$37,553)
	(\$661,082)	(\$1,586,598)
Total State Impact	\$14,241,172	\$34,178,812
<u>Local Funds</u>	<u>FY 2025</u>	<u>FY 2026+</u>
Excise revenue loss from lower demand		
St. Louis County	(\$14,713)	(\$35,310)
Jackson County	(\$10,729)	(\$25,750)
Sales tax revenue loss from lower demand		
Local Sales Tax	(\$988,885)	(\$2,373,324)
Total Local Impact	(\$1,014,327)	(\$2,434,384)

Table 2: Estimated Revenue Impact by Fund

<u>State Funds</u>	<u>FY 2025</u>	<u>FY 2026+</u>
Childhood Cancer	\$15,337,602	\$36,810,245
General Revenue	(\$469,407)	(\$1,126,578)
Education (SDTF)	(\$156,469)	(\$375,526)
Conservation	(\$19,559)	(\$46,941)
DNR	(\$15,647)	(\$37,553)
Health Initiatives Fund	(\$102,435)	(\$245,844)
State Schools Money Fund	(\$230,478)	(\$553,148)
Fair Share Fund	(\$102,435)	(\$245,844)
TSR Impact	\$14,241,172	\$34,178,812
<u>Local Funds</u>	<u>FY 2025</u>	<u>FY 2026+</u>
St. Louis County	(\$14,713)	(\$35,310)
Jackson County	(\$10,729)	(\$25,750)
Local Sales Tax	(\$988,885)	(\$2,373,324)
Total Local Impact	(\$1,014,327)	(\$2,434,384)

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-174, a proposed statutory amendment to Chapter 196, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo

requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, they estimate publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-174 will have no fiscal impact on their office.

Officials from the **Office of the State Treasurer** indicated:

INITIATIVE PETITION FISCAL ESTIMATE WORKSHEET

Re: Petition approval request from Deirdre Hirner regarding a proposed statutory amendment to Chapter 196 (2024-174)

Analyst: Doug Shull, General Counsel **Date:** March 19, 2024

Agency: State Treasurer's Office **Telephone:** 573-751-4910

Division: Legal **E-Mail:** doug.shull@treasurer.mo.gov

Comments:

This proposal has a fiscal impact on the State Treasurer's Office ("STO").

The proposal creates the Childhood Cancer Treatment and Prevention Fund ("the fund"). (Proposal Section 196.1131.2). The proposal states that the "Children's Trust Fund Board shall administer the fund," (Proposal Section 196.1131.4), but requires that the state treasurer "shall credit to and place in [the fund] all moneys collected as a result of the tax imposed by [Proposal] subsection 1...as said moneys are received." (Proposal Section 196.1131.4). This language appears to split administration of the fund and, consequently, has an estimated cost to the STO ranging from \$ 133,930 to \$ 210,746 in FY 2025, ranging from \$ 154,028 to \$ 238,691 in FY 2026, and ranging from \$ 156,507 to \$242,564 in FY 2027. This cost is based on the additional 2 FTE required for the STO's administration responsibilities as enumerated in the current proposal. Please see the attached Exhibit A that provides additional details related to this calculation.

Additionally, the STO is concerned with the proposal's statement including "without legislative action" contained in subsection 3. (Proposal Section 196.1131.3). The inclusion of this statement in the proposal appears to require the STO and the Children's Trust Fund Board to violate the Missouri Constitution. The constitutional requirement is that "[n]o money shall be withdrawn from the state treasury except by warrant drawn in accordance with an appropriation made by law, nor shall any obligation for that payment of money be incurred unless the commissioner of administration certifies it for payment and certifies that the expenditure is within the purpose as directed by the general assembly of the appropriation and that there is in the appropriation an unencumbered balance sufficient to pay it." (Mo. Const. art. IV, § 28). This conflict could create litigation costs that are too speculative to estimate but could be substantial.

Exhibit A

	FY 2025	FY 2026	FY 2027
Cost Summary			
Salaries	(\$105,000) - (\$70,000)	(\$128,520) - (\$85,680)	(\$131,090) - (\$87,394)
Fringe Benefits	(\$78,246) - (\$52,164)	(\$94,871) - (\$63,248)	(\$95,868) - (\$63,912)
Equipment	(\$15,000) - (\$7,600)		
Expense	(\$12,500) - (\$4,167)	(\$15,300) - (\$5,100)	(\$15,606) - (\$5,202)
Other Cost			
Total Estimated Cost	(\$210,746) - (\$133,930)	(\$238,691) - (\$154,028)	(\$242,564) - (\$156,507)
Savings Summary			
Salaries			
Fringe Benefits			
Equipment			
Expense			
Other Savings			
Total Savings			
Total Revenue Gain			
Total Revenue Loss			
Estimated Net Effect	(\$210,746) - (\$133,930)	(\$238,691) - (\$154,028)	(\$242,564) - (\$156,507)

AMENDED INITIATIVE PETITION FISCAL ESTIMATE WORKSHEET

Re: Petition approval request from Deirdre Hirner regarding a proposed statutory amendment to Chapter 196 (2024-174)

Analyst: Doug Shull, General Counsel **Date:** March 26, 2024

Agency: State Treasurer's Office **Telephone:** 573-751-4910

Division: Legal **E-Mail:** doug.shull@treasurer.mo.gov

Comments:

This proposal has a fiscal impact on the State Treasurer's Office ("STO").

The proposal creates the Childhood Cancer Treatment and Prevention Fund ("the fund"). (Proposal Section 196.1131.2). The proposal states that the "Children's Trust Fund Board shall administer the fund," (Proposal Section 196.1131.4), but requires that the state treasurer "shall credit to and place in [the fund] all moneys collected as a result of the tax imposed by [Proposal] subsection 1...as said moneys are received." (Proposal Section 196.1131.4). This language appears to split administration of the fund and, consequently, has an estimated cost to the STO ranging from \$ 133,930 to \$ 210,746 in FY 2025, ranging from \$ 154,028 to \$ 238,691 in FY 2026, and ranging from \$ 156,507 to \$242,564 in FY 2027. This cost is based on the additional 2 FTE required for the STO's administration responsibilities as enumerated in the current proposal. Please see the attached Exhibit A that provides additional details related to this calculation.

On March 25, 2024, the State Auditor's Office requested additional detail regarding the responsibilities of the 2 estimated FTE. As stated in the above paragraph the estimated FTE are required due to the administration duties delegated to the STO by this proposal. The duties relate to the language stating to "credit to and place in [the fund] all moneys collected as a result of the tax imposed by [Proposal] subsection 1...as said moneys are received," (Proposal Section 196.1131.4). The proposal's language appears to require the STO to deposit moneys for this fund. Generally, the STO does not collect and deposit monies for individual state funds and those individual state funds are administered and managed by other state agencies. The assumption is that these additional administrative duties may take up to 2 additional FTE.

The additional administrative duties would include, among other duties, verifying the accuracy of fund accounting records by performing daily reconciliations with source

documents and corresponding appropriation and general ledger accounts; calculate prior period adjustments and document prior period adjustments; ensure accuracy and consistency of data between fund documents and annual reports and the Children's Trust Fund Board; track and manage fund balance changes and ensure a prudent reserve is maintained, and enter & approve documents in the statewide financial system for both incoming revenues & outgoing expenditures.

Additionally, the STO is concerned with the proposal's statement including "without legislative action" contained in subsection 3. (Proposal Section 196.1131.3). The inclusion of this statement in the proposal appears to require the STO and the Children's Trust Fund Board to violate the Missouri Constitution. The constitutional requirement is that "[n]o money shall be withdrawn from the state treasury except by warrant drawn in accordance with an appropriation made by law, nor shall any obligation for that payment of money be incurred unless the commissioner of administration certifies it for payment and certifies that the expenditure is within the purpose as directed by the general assembly of the appropriation and that there is in the appropriation an unencumbered balance sufficient to pay it." (Mo. Const. art. IV, § 28). This conflict could create litigation costs that are too speculative to estimate but could be substantial.

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Equipment	(\$15,000) - (\$7,600)		
Expense	(\$12,500) - (\$4,167)	(\$15,300) - (\$5,100)	(\$15,606) - (\$5,202)
Other Cost			
Total Estimated Cost	(\$210,746) - (\$133,930)	(\$238,691) - (\$154,028)	(\$242,564) - (\$156,507)
Savings Summary			
Salaries			
Fringe Benefits			
Equipment			
Expense			
Other Savings			
Total Savings			
Total Revenue Gain			
Total Revenue Loss			
Estimated Net Effect	(\$210,746) - (\$133,930)	(\$238,691) - (\$154,028)	(\$242,564) - (\$156,507)

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-174 proposing to amend Chapter 196, RSMo.

Officials from **St. Louis County** indicated this proposed amendment has no financial impact on their county.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated the University of Missouri Health Care has reviewed the proposed legislation and has determined that as written it should not create expenses in excess of \$100,000.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and determined it has no direct impact on the college either revenue or expense. This is not a statement of the college's approval or disapproval of the petition.

Officials from the **Children's Trust Fund of Missouri** (CTF) indicated it is hard for them to do a cost estimate for how it will affect CTF without a better understanding of how much funding the tax would collect. Do you have any estimates on how much revenue it would generate? Without that, it's hard to say what the cost for them would be. They would likely need to hire staff to administer the fund, but the number of staff would depend on how large the fund would be.

Their best estimate would be 1% or \$340k to administer the funds and another 1% or \$340k for evaluation. This would be a rough estimate at this time.

Officials from the **State Auditor's office** indicated there would be a fiscal impact on their office. They believe this would create the need for a stand-alone performance audit consisting of 500 hours. 500 hours multiplied by \$90.00 per hour (current average audit cost per staff hour) equals a \$45,000 impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-**

V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and State Technical College of Missouri.

Fiscal Note Summary

State government entities estimate annual increased revenue of approximately \$34 million, one-time costs of up to \$15,000, and annual increased costs of at least \$879,000. The revenue for local government entities could decrease by \$2.4 million annually due to decreased cigarette sales.



RECEIVED

FEB 20 2024

STATE AUDITORS OFFICE

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

February 20, 2024

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Deirdre Hirner regarding a proposed constitutional amendment to Article X (2024-173)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Deirdre Hirner on February 20, 2024.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[Official Ballot Title]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Number) (Street), (City, Town, or Village)	ZIP CODE	CONGR. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age. I do ____ do not ____ (check one) expect to be paid for circulating this petition.

If paid, list the payer:

(Name of payer) Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Address of Affiant (Street, City, State & Zip Code)

Subscribed and sworn to before me this ____ day of _____, A.D. 202____.

Notary Public (Seal)

Signature of Notary

My commission expires _____

Address of Notary (Street, City, State & Zip Code)

Be it resolved by the people of the state of Missouri that the Constitution be amended:

One new section in Article X to be known as Section 27 is enacted as follows:

Section 27

1. This section shall be known as the “Local Voters’ Right and Option to Set Tobacco Taxes Initiative.”

2. Notwithstanding section 1 of this article or any other law to the contrary, local voters shall have the right and option to set tobacco taxes in counties.

3. Any tobacco tax approved by local voters under this initiative shall be used solely for education, health and mental health, crime prevention, job creation, veterans’ services, or other local use specifically approved by local voters, so long as the use is legal under Missouri law.

4. As used in this initiative, the following terms have the following meanings:

(1) “Local voters” shall not mean the General Assembly nor the local governing body in a county, but shall only mean a majority of the qualified voters casting ballots in an election in a county on a county-wide tobacco cigarette tax measure.

(2) “Right and option to set tobacco taxes” means the right, power, and authority to set, control, impose, establish, levy, collect, fix, reduce, eliminate, or change the rate or dedicated use of a county excise tax on tobacco cigarettes.

5. All existing local tobacco taxes and any dedicated uses in place on the effective date of this initiative shall remain in effect provided, however, that the rate or dedicated use of such taxes may only be modified with the approval of local voters.

6. All of the provisions of this initiative are severable. If any provision of this initiative is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions shall be and remain valid.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-173)**

Subject

Initiative petition from Deirdre Hirner regarding a proposed constitutional amendment to Article X. (Received February 20, 2024)

Date

March 11, 2024

Description

This proposal would amend Article X of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Veterans Commission**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, **St. Charles County Election Authority**, **St. Louis County Board of Elections**, **Board of Election Commissioners City of St. Louis**, **Kansas City Board of Election Commissioners**,

Platte County Board of Elections, Jackson County Election Board, and the Clay County Board of Election Commissioners.

Bradley Ketcher, Ketcher Law Firm, LLC provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-173 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their agency.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-173 proposing to amend Article X.

Officials from the **Department of Revenue** indicated this IP attempts to give local political subdivisions the ability to vote on and create a tax on tobacco products. Currently, the only

two local political subdivisions that have a tax on tobacco are Jackson County and St. Louis County. The businesses in those areas remit the tax to the Department of Revenue (Department) and the Department distributes it. As reimbursement for the administration of this tax, the Department is allowed to retain 1% of all tobacco tax remitted.

While this proposal would allow the voters in their local political subdivision to implement a tax, this IP does not address who will collect the tax and where it is to be distributed. The Department notes while the proposal appears to require the collection of the tax, it does not give the locals or the Department the necessary authority to actually collect the tobacco tax or to deposit the tobacco tax into any state or local fund. Therefore it appears this tobacco tax will not generate any revenue to the state, to any local political subdivision, or to any Fund.

Officials from the **Department of Public Safety** indicated there is no impact for their department.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to local tobacco taxation does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-173 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to local tobacco taxation does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-173, a proposed constitutional amendment to Article X, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, they estimate publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-173 will have no fiscal impact on their office.

Officials from the **Office of the State Treasurer** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated in reviewing initiative petition 24-173 it has been determined there may be an increased cost to the County of Greene if voters vote to amend Article X. After further review it has been determined that there is very likely opportunity for additional costs to the county. The language is vague as to how the ballot measure will be placed on the ballot for local voters, which requires an estimate for the issue placed on the ballot through initiative petition or by the County Commission if it chooses to put the question before voters. Therefore, in anticipation of those potential costs please find the following estimate for this IP.

The anticipated cost for verification of the signatures for the petition, if that option is used to place this question before voters is **\$7,482.90**. This estimate is based on the number of hours from signatures verified in 2022.

The language also appears to allow the election to be held at the next county election date available where the referendum provision may be presented to voters by a political subdivision. With that understanding the per voters cost to administer an election during an April election when costs are proportionally shared by political subdivisions will be submitted, as well as the costs to host an election when the political subdivision is the only entity to hold an election below:

Scenario 1 – Proportional Costs

The most recent April 2023 election cost **\$361,991.59**. The estimated cost total county portion to be paid from the **\$361,991.59** election cost total is estimated to be **\$99,103.27**.

Scenario 2 – County only Political Subdivision Cost

A countywide special election has an estimated total cost of **\$337,336.50**.

The county will also need to retain legal counsel to write the ballot summary and title for the question being proposed to the voters of the county. A minimum estimate for 8 hours of legal work at a **\$240.00** an hour would be **\$1,920** of legal fees at a minimum.

In addition, there is to their knowledge no adequate information available to know the volume of sales of tobacco products at retail establishments where the tobacco product would be sold within Greene County to create an estimate of potential sales tax the county would receive if a sales tax rate is applied to each tobacco purchase. The Greene County Budget office was contacted regarding any tobacco sales data specific to Greene County they could provide, as well as the Missouri Department of Revenue. Neither office was able to provide the sales data needed to create a reliable estimate. If this data does become available, an estimate could then be submitted. There also may be additional costs to attain the tax collected for each tobacco purchase that without the volume of tobacco sales information cannot be ascertained either.

Though the IP is silent on how the question is to be put before voters, it states that, “local voters shall have the right and option to set tobacco taxes in counties,” in subsection 2. State statute allows for voters to put an issue before voters in their respective county in RSMo 115.700. The election costs estimate submitted allow for a scenario of when the question would be presented to the voters as a stand-alone countywide issue when no other issue and/or candidate is on the ballot. In that scenario the county would pay the full cost. In an election where the issue would be shared with other political subdivisions, an estimate is submitted as well. The county pays its proportional share of the ballot costs for any election it has an issue and/or candidates on a ballot in an election per RSMo 115.065.

The county's prosecutor examined RSMo 115.700. In his brief research, he did not disagree with the understanding previously provided. The vagueness of the statute does not in the opinion of county officials present an issue for a county of any classification from using it as a method when a constitutional amendment with this language is passed.

Greene County Employee Initiative Petition Signature Costs

Employee	Rate of Pay	Estimate Hours*	Total Cost
Coordinator	23.07	30	\$692.10
Clerk I	15.49	120	\$1,858.80
Temporary Employee	20.55	120	\$2,466.00
Temporary Employee	20.55	120	\$2,466.00

*Estimate based on number of hours from 2022 petition

\$7,482.90

Officials from **St. Louis County** indicated there should be no fiscal cost to their county resulting from this proposed amendment.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated there may impact to their college. Unknown at this time as to what education level they're talking about, and how the local voters will decide how to spend the money.

Officials from **University of Missouri** indicated no fiscal impact expected for the University of Missouri System.

Officials from the **St. Louis Community College** indicated they have reviewed the petition initiative and do not see a revenue, expense, or operational change that would affect their college.

Officials from the **Missouri Veterans Commission** (MVC) indicated no fiscal impact to MVC.

Officials from the **Kansas City Board of Police Commissioners** indicated there is no anticipated cost or savings to KCPD based on this measure.

Officials from the **St. Louis County Board of Elections** indicated they have reviewed initiative petition 24-173 and see no fiscal impact to their operations.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no impact on their organization, unless the election regarding this measure generated a stand alone election, in which case the cost could be potentially 500K.

Officials from the **Kansas City Board of Election Commissioners** indicated the effect of Article X (2024-173) on their operations would be immaterial (less than \$5000).

Officials from the **Platte County Board of Elections** indicated there would be no fiscal impact on their Board of Elections.

Officials from the **Jackson County Election Board** indicated this has no fiscal impact to their Board of Elections.

Bradley Ketcher, Ketcher Law Firm, LLC provided the following information:

This proposed measure would give local voters in counties control over local tobacco taxes in those counties. It does not call for a tax increase or decrease, but simply gives local voters the right and option to set local tobacco taxes.

It is directly analogous to statutory IP 24-113, which your office developed a fiscal note and summary for earlier this year. Like the current initiative, that proposal would give local voters the "right and option" to set certain taxes. In the fiscal note for that measure, your office found no cost or savings for state or local governments.

The current proposal should receive the same analysis, fiscal note, and fiscal summary as IP 24-113. The proposal has no fiscal impact on state funds because the proposal requires nothing from state government. Further, the proposal has no fiscal impact on local funds because it is a "local voters' option" measure that includes no mandate and requires nothing of local governments.

As an additional touchstone, the Committee on Legislative Research, Oversight Division has consistently developed a "zero cost" fiscal note for such local option proposals.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, the Metropolitan Police Department - City of St. Louis, St. Charles County Election Authority, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

December 4, 2023

RECEIVED

DEC 04 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Deirdre Hirner regarding a proposed constitutional amendment to Article X (2024-172)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Deirdre Hirner on December 1, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[Official Ballot Title]

CIRCULATOR'S AFFIDAVIT

2023 DEC -1 PM 2:33
RECEIVED

STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Number) (Street), (City, Town, or Village)	ZIP CODE	CONGR. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age. I do ____ do not ____ (check one) expect to be paid for circulating this petition.

If paid, list the payer:

(Name of payer)

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Address of Affiant (Street, City, State & Zip Code)

Subscribed and sworn to before me this ____ day of _____, A.D. 201____.

Notary Public (Seal)

Signature of Notary

Address of Notary (Street, City, State & Zip Code)

My commission expires _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

One new section in Article X to be known as Section 27 is enacted as follows:

Section 27

1. This section shall be known as the “Local Voters’ Right and Option to Set Tobacco Taxes Initiative.”

2. Notwithstanding section 1 of this article or any other law to the contrary, local voters shall have the right and option to set tobacco taxes in counties.

3. Any tobacco tax approved by local voters under this initiative shall be used solely for education, health and mental health, crime prevention, job creation, veterans’ services, or other local use specifically approved by local voters, so long as the use is legal under Missouri law.

4. As used in this initiative, the following terms have the following meanings:

(1) “Local voters” shall not mean the General Assembly nor the local governing body in a county, but shall only mean a majority of the qualified voters casting ballots in an election in a county on a county-wide tobacco cigarette tax measure, whether submitted to local voters by the local governing body or by initiative petition.

(2) “Right and option to set tobacco taxes” means the right, power, and authority to set, control, impose, establish, levy, collect, fix, reduce, eliminate, or change the rate or dedicated use of a county excise tax on tobacco cigarettes.

5. All existing local tobacco taxes and any dedicated uses in place on the effective date of this initiative shall remain in effect provided, however, that the rate or dedicated use of such taxes may only be modified with the approval of local voters.

6. The provisions of this initiative are self-executing. Governing bodies in counties are authorized, but not mandated, to submit measures to local voters to set local tobacco taxes at authorized elections. In addition, the people are authorized, but not mandated, to submit measures to local voters by initiative petition to set local tobacco taxes at authorized elections occurring after the date this initiative is approved by voters. The people may submit measures under existing county initiative petition procedures where otherwise available or, under this subsection, by filing with the appropriate local election authority or authorities a petition signed by five percent of the qualified voters of the county as measured by the total number of votes cast for governor in such county at the last general gubernatorial election prior to the filing of the petition. Any initiative petition submitted under the process created by this subsection that has a deficient number of valid signatures shall have sixty days after notification of such deficiency to submit additional valid signatures and cure the adequacy of the petition. Initiative petitions submitted under the process created by this subsection shall include the rate and dedicated use of any tobacco tax revenue, along with related administrative provisions. The ballot title for initiative petitions submitted under the provisions created by this subsection shall be fifty words or less, excluding articles, shall be prepared by the county’s attorney, shall be limited to the tobacco tax rate change, if any, and the dedicated use of tobacco tax revenue, if any. Such ballot title shall be a true and impartial statement of any tobacco tax rate change and any dedicated use of tobacco tax revenue in language neither intentionally argumentative nor likely to create prejudice either for or against the proposed measure. Both the adequacy of signatures and the formulation of the ballot title shall be subject to judicial review. If approved by local voters, the proposal shall carry the force of law. For purposes of this subsection, “authorized election” means any election day after January 1, 2026. However, where the people submit a measure to set local tobacco taxes through the initiative petition provisions established under this subsection, the authorized election shall be the earliest available election day, whether a general, primary, general municipal, or other established election day, after sufficient valid signatures are submitted that is also after January 1, 2025.

7. All of the provisions of this initiative are severable. If any provision of this initiative is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions shall be and remain valid.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-172)**

Subject

Initiative petition from Deirdre Hirner regarding a proposed constitutional amendment to Article X. (Received December 04, 2023)

Date

December 22, 2023

Description

This proposal would amend Article X of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Veterans Commission**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, **St. Charles County Election Authority**, **St. Louis County Board of Elections**, **Board of Election Commissioners City of St. Louis**, **Kansas City Board of Election Commissioners**,

Platte County Board of Elections, Jackson County Election Board, and the Clay County Board of Election Commissioners.

Bradley Ketcher, Ketcher Law Firm, LLC provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-172 and determined there is no measurable fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated no impact to their agency, however, the voting on local tobacco taxes could have an impact on local health agencies as the tobacco tax approved by local voters under this initiative shall be used solely for education, health and mental health, crime prevention, job creation, veterans' services or other local use specifically approved by voters.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-172 proposing to amend Article X.

Officials from the **Department of Revenue** indicated this IP attempts to give local political subdivisions the ability to vote on and create a tax on tobacco products. Currently, the only two local political subdivisions that have a tax on tobacco are Jackson County and St. Louis County. The businesses in those areas remit the tax to the Department of Revenue and the Department distributes it. As reimbursement for the administration of this tax, the Department is allowed to retain 1% of all tobacco tax remitted.

While this proposal would allow the voters in their local political subdivision to implement a tax, this IP does not address who will collect the tax and where it is to be distributed. The Department of Revenue (Department) notes while the proposal appears to require the collection of the tax, it does not give the locals or the Department the necessary authority to actually collect the tobacco tax or to deposit the tobacco tax into any state or local fund. Therefore it appears this tobacco tax will not generate any revenue to the state, to any local political subdivision, or to any Fund.

Officials from the **Department of Public Safety** indicated no impact for their department.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to local tobacco taxation does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-172 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to local tobacco taxation does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-172, a proposed constitutional amendment to Article X, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills

that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, they estimate publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-172 will have no fiscal impact on their office.

Officials from the **Office of the State Treasurer** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated in reviewing initiative petition 24-172 it has been determined there will be an increased cost to the County of Greene if voters vote to amend Article X. After further review it has been determined that there are additional costs to the county that had not been previously set forth in previous IP estimates with similar language. Those cost are noted in the following estimate for this IP.

The anticipated cost for verification of the signatures for the petition if that option is used is **\$7,482.90**. This estimate is based on the number of hours from signatures verified in 2022. An attachment with the estimate totals has been provided.

The language allows the election to be held at the next county election date available where the referendum provision may be presented to voters by a political subdivision. With that understanding the per voter cost to administer an election during an April election when costs are proportionally shared by political subdivisions will be submitted, as well as the costs to host an election when the political subdivision is the only entity to hold an election below:

Scenario 1 – Proportional Costs

The most recent April 2023 election cost **\$361,991.59**. The estimated cost total county portion to be paid from the **\$361,991.59** election cost total is estimated to be **\$99,103.27**.

Scenario 2 – County only Political Subdivision Cost

A countywide special election has an estimated total cost of **\$337,336.50**.

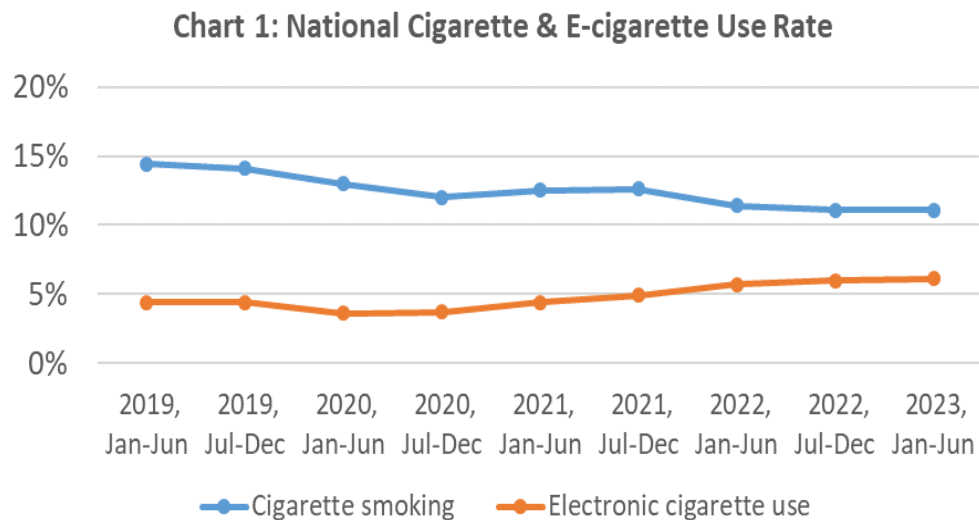
It also calls for the county to retain legal counsel to write the ballot summary and title for the question being proposed to the voters of the county. A minimum estimate for 8 hours of legal work at a **\$240.00** an hour would be **\$1,920** of legal fees at a minimum.

In addition, there is to their knowledge no adequate information available to know the volume of sales of tobacco products at retail establishments where tobacco product are sold within Greene County to create an estimate of potential sales tax the county would receive if a sales tax rate is applied to each tobacco purchase. The Greene County Budget office was contacted regarding any tobacco sales data specific to Greene County they could provide, as well as the Missouri Department of Revenue. Neither office was able to provide the sales data needed to create a reliable estimate. If this data does become available, an estimate could then be submitted. There also may be additional costs to attain the tax collected for each tobacco purchase that without the volume of tobacco sales information cannot be ascertained either.

Officials from **St. Louis County** indicated this amendment should have no fiscal impact on their county.

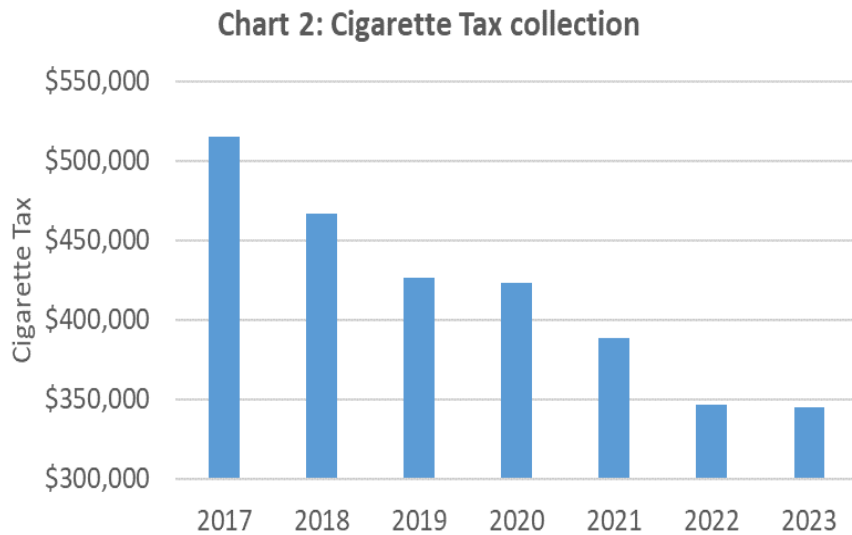
Officials from the **City of Columbia** indicated their local government estimates the fiscal impact of the above-referenced bill for fiscal years 2024, 2025, and 2026 to be as follows:

Surveys administered by the National Center for Health Statistics have found that, as cigarette usage has dropped among adults in the US, electronic cigarette usage has increased.¹ It is reasonable to assume that a certain portion of prior cigarette users have switched to e-cigarette use.



Consistent with this trend, the City of Columbia has experienced a 33% fall in revenue from cigarette taxes over the last six years (as shown in Chart 2 below).

¹ https://wwwn.cdc.gov/NHISDataQueryTool/ER_Biannual/index_biannual.html



The amendment proposes granting greater control to local voters regarding taxes levied on tobacco products, which include electronic cigarettes.² Until local voters change the excise tax on cigarettes and tobacco products, current trends and substitution to e-cigarettes will continue to have a detrimental impact on local government revenue collection. If voters approve an excise tax on e-cigarettes, then, in FY 25 and FY 26, the City of Columbia would add approximately \$11,841 to \$59,206 annually, assuming a per unit rate of \$0.10 to \$0.50 is adopted. Furthermore, increasing the excise tax rate on cigarettes could add approximately \$345,177.50 annually if the excise tax is increased to \$0.20 per pack of cigarettes. Calculations and estimations are detailed below:

Population Over 18 in Columbia, MO	99,551
Estimated E-cigarette Users in Columbia, MO	6,073
Average US E-cigarette Usage Rate	19.5
Estimated Annual E-cigarette Sales in Columbia, MO	\$118,420

Assuming Columbia's overall electronic cigarette usage rate is that of the most recent national rate, 6.1%, Columbia has approximately 6,073 electronic cigarette users. The CDC has estimated that electronic cigarette sales averaged 23.91 million units per month, which means electronic cigarette users average 1.62 units per month or 19.5 units per year.³ Simply extending the \$0.10 per unit tax currently collected on packs of cigarettes in Columbia to electronic cigarette sales would generate \$11,842.35 in tax revenue per year.

² <https://www.federalregister.gov/documents/2023/03/20/2023-03950/definition-of-the-term-tobacco-product-in-regulations-issued-under-the-federal-food-drug-and#:~:text=Tobacco%20product%20means%20any%20product,or%20accessory%20of%20a%20tobacco>

³ https://www.cdcfoundation.org/Issue33-MonthlyECigaretteSalesDataBrief_9.10.2023.pdf?inline

The petition would allow altering the rate collected on cigarettes and other tobacco products, which are among the lowest in the nation here in Columbia and across Missouri. Such changes could have significant fiscal impacts. Demand for cigarettes is considered to be inelastic, so increases in the per unit excise tax rate would likely have a proportional impact on the total tax collected.

Tax Rate	Additional Revenue from E-Cigarette Tax	Additional Revenue from Change to Existing Cigarette Tax*	Additional Revenue from Change to Cigarette & Other Tobacco Tax
\$0.10	\$11,842.04	\$0 (Current Rate)	\$11,842.04
\$0.20	\$23,684.08	\$345,177.50	\$368,861.58
\$0.50	\$59,210.20	\$1,380,710.00	\$1,439,920.20

*Calculated based on FY 23 cigarette excise collection as shown in Chart 2.

The business license office anticipates that changes to taxes regarding cigarette and tobacco products, including electronic cigarettes, would necessitate an additional 0.5 FTE business service technician, which would cost the City anywhere from \$18,962.50 to \$27,685 annually.

Officials from the **City of Kansas City** indicated this petition would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they have reviewed the petition initiative and are unable to determine whether it would have a positive effect on their revenue. They do not see a negative impact; however, they do not know if the State is currently allocating any tobacco tax revenues to the College and therefore, if the petition passed could/would impact them. That being said the petition wording is vague and therefore in their opinion flawed. For example, are there any limitations on the amount of taxes charged or does the "first come first served" mentality suck all the air out of the room to the detriment of other stakeholders. As an example, if the petition passes and then results in the police having a tax vote first, does that make it probable that another party (say veteran services) may be estopped (in a practical sense) from a tax vote because the police tax makes it more difficult to pass future taxes?

However, regarding your specific request, they do not see a negative impact and cannot determine if there is a positive impact.

Officials from the **Missouri Veterans Commission** (MVC) indicated there is no fiscal impact.

Officials from the **Kansas City Board of Police Commissioners** indicated there is no financial impacts to their board.

Officials from the **St. Louis County Board of Elections** indicated they have reviewed initiative petition 24-172 and see no fiscal impact to their operations.

Officials from the **Board of Election Commissioners City of St. Louis** indicated if an election was called, the cost of a city wide election could be upwards of 300k.

Officials from the **Kansas City Board of Election Commissioners** indicated the cost to conduct a jurisdiction-wide election in the Kansas City portion of Jackson County is \$850,000. If the election is held on a Primary or General election day, the cost is allocated one third each to Jackson County, Kansas City and the State. Outside those two dates, the cost is allocated based on voter registration for the entities participating in that election.

Officials from the **Platte County Board of Elections** indicated no fiscal impact to their Board of Elections.

Officials from the **Jackson County Election Board** indicated requiring the local election authority to create a ballot title for the Local Voters' Right and Option to Set Tobacco Taxes Initiatives would require legal review by both Election Board attorneys.

Cost \$500.00 - \$1,000.00

If the election were to be held on a primary or general election Jackson County would have a budget already in place for an additional question.

If an election were to be held in an off year or a non-countywide election the cost would be substantial.

The amount below would be for Eastern Jackson County only. The Kansas City Election Board would have to provide their cost for Kansas City proper.

Cost of a non-budgeted countywide election (Eastern Jackson County only)

\$600,000 - \$700,000.

Bradley Ketcher, Ketcher Law Firm, LLC provided the following information:

This proposed measure would give local voters in counties control over local tobacco taxes in those counties. It does not call for a tax increase or decrease, but simply gives local voters the right and option to set their own local tobacco taxes.

It is directly analogous to statutory IP 24-113, which your office developed a fiscal note and summary for earlier this year. Like the current initiative, that proposal would give local

voters the "right and option" to set certain taxes. In the fiscal note for that measure, your office found no cost or savings for state or local governments.

The current proposal should receive the same analysis, fiscal note, and fiscal summary as IP 24-113. The proposal has no fiscal impact on state funds because the proposal requires nothing from state government. Further, the proposal has no fiscal impact on local funds because it is a "local voters' option" measure that includes no mandate and requires nothing of local governments.

As an additional touchstone, the Committee on Legislative Research, Oversight Division has consistently developed a "zero cost" fiscal note for such local option proposals.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Metropolitan Police Department - City of St. Louis, St. Charles County Election Authority, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no direct costs or savings. Attempts to implement a local tobacco tax, or to modify an existing local tobacco tax, could result in changes in revenue or increased election related or other costs for these entities that cannot be estimated.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-171)**

Subject

Initiative petition from Deirdre Hirner regarding a proposed constitutional amendment to Article X. (Received November 21, 2023)

Date

December 11, 2023

Description

This proposal would amend Article X of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Veterans Commission**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, **St. Charles County Election Authority**, **St. Louis County Board of Elections**, **Board of Election Commissioners City of St. Louis**, **Kansas City Board of Election Commissioners**,

Platte County Board of Elections, Jackson County Election Board, and the Clay County Board of Election Commissioners.

Bradley Ketcher, Ketcher Law Firm, LLC provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-171 and determined there is no impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-171 proposing to amend Article X.

Officials from the **Department of Revenue** indicated this IP attempts to give local political subdivisions the ability to vote on and create a tax on tobacco products. Currently, the only two local political subdivisions that have a tax on tobacco are Jackson County and St. Louis

County. The businesses in those areas remit the tax to the Department of Revenue and the Department distributes it. As reimbursement for the administration of this tax, the Department is allowed to retain 1% of all tobacco tax remitted.

While this proposal would allow the voters in their local political subdivision to implement a tax, this IP does not address who will collect the tax and where it is to be distributed. The Department of Revenue (Department) notes while the proposal appears to require the collection of the tax, it does not give the locals or the Department the necessary authority to actually collect the tobacco tax or to deposit the tobacco tax into any state or local fund. Therefore it appears this tobacco tax will not generate any revenue to the state, to any local political subdivision, or to any Fund.

Officials from the **Department of Public Safety** indicated no impact for their department.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to local tobacco taxation does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-171 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to local tobacco taxation does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated that in reference to Initiative Petition 24-171 a proposed constitutional amendment to Article X, there is no fiscal impact on the Courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, they estimate publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-171 will have no fiscal impact on their office.

Officials from the **Office of the State Treasurer** indicated no fiscal impact to their office.

Officials from **Cass County** provided comments of the estimated fiscal impact on proposed initiative petition 2024-171. The largest consideration, in their opinion, would be the very expensive but unknown amount of legal exposure and litigation costs. It would be important that this unlimited amount of legal exposure is highlighted in any fiscal impact statement because they believe such legal challenge is probable with this proposed IP. They provided the following information:

The Very Honorable Mr. Scott Fitzpatrick
Missouri State Auditor

RE: Initiative Petition No. 2024-171 – Fiscal impact

Mr. Auditor:

As the Auditor of Cass County, I write to provide insight as to the fiscal impact to county government by an Initiative Petition and the ramifications thereof. I have reviewed a summary of the proposed initiative petition numbered 2024-171. This initiative petition would commit county governments to some certain amounts and some uncertain amounts of spending by extending an initiative petition process to counties in Missouri and possibly forcing a special election.

The initiative petition process contained in 2024-171, would require signatures from five percent of the qualified voters in a county to put a product-specific tax on the ballot in that county. If sufficient signatures are verified by the county clerk, then the new taxation measure would go on the first available election day. Additionally, a ballot title would be required to be drafted for the tobacco tax proposal and such title would be drafted by the county clerk. Each of these provisions will carry varying degrees of costs with varying ranges of exposure and each provision certainly creates its own risk of large financial exposure to Cass County due to the possibility litigation costs throughout the process.

For example, signature verification requires staffing to review the submitted initiative petitions and compare those signatures to the files of registered voters in the county. Since the verification will take an unknown number of hours and could occur at any time, including holiday season or the weeks before or after a general election, I cannot reasonably even begin to estimate the cost, however it would cost the county money to achieve the signature verification. The major thing to consider with regard to fiscal impact in our county would be the exposure to unknown costs in litigation. I would conclude that signature verification for this IP is certain cost to the county, but an unknown, and possibly very large expense.

The proposed measure also requires an immediate election. The cost of ballot printing, staffing at the polling places, and advertising the ballot is estimated to be up to \$62,459.89 for Cass County. That cost estimate assumes that the IP is the sole ballot measure in a full county-wide election.

The drafting of a ballot title is a new duty for the county clerk. As we know, litigation over ballot titles is frequent and predictable. The proposed initiative expressly provides for judicial review of any ballot title. To draft a ballot title that would survive judicial scrutiny would require the retention of an election attorney with experience in this field. Moreover, if the ballot title is challenged, then there will be a need to retain election counsel with expertise in the field. Tare few attorneys with this experience, and I estimate the legal costs to be possible and likely. This provision may have an unknowably expensive fiscal impact that the county would be required to absorb.

In short, IP exposes Cass County to certain, clearly stated election and signature verification costs. More impactful would be the very, very large financial exposure that could easily reach hundreds of thousands, or possibly over a million dollars. This legal exposure is unlimited coming from both the signature, drafting, and election provisions. It is also possible, but much less likely that cost be contained to election and signature verification alone. These provisions, themselves, carry a certain fiscal impact that would range from \$20,000 to \$82,459.89.

Respectfully submitted,

Jack Bondon
Cass County, Missouri Auditor

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated that there are estimated costs to report from the County of Greene for 24-171 proposing to amend Article X. The anticipated cost for verification of the signatures for the petition if that option is used is **\$7,482.90**. This estimate is based on the number of hours from signatures verified in 2022. An attachment with the estimate totals has been provided.

In addition, there is to their knowledge no adequate information available to know the volume of sales of tobacco products at retail establishments where tobacco product are sold within Greene County to create an estimate of potential sales tax the county would receive if a sales tax rate is applied to each tobacco purchase. The Greene County Budget office was contacted regarding any tobacco sales data specific to Greene County they could provide, as well as the Missouri Department of Revenue. Neither office was able to provide the sales data needed to create a reliable estimate. If this data does become available, an estimate could then be submitted.

Greene County Employee Initiative Petition Signature Costs

Employee	Rate of Pay	Estimate Hours*	Total Cost
Coordinator	23.07	30	\$692.10
Clerk I	15.49	120	\$1,858.80
Temporary Employee	20.55	120	\$2,466.00
Temporary Employee	20.55	120	\$2,466.00

*Estimate based on number of hours from 2022 petition

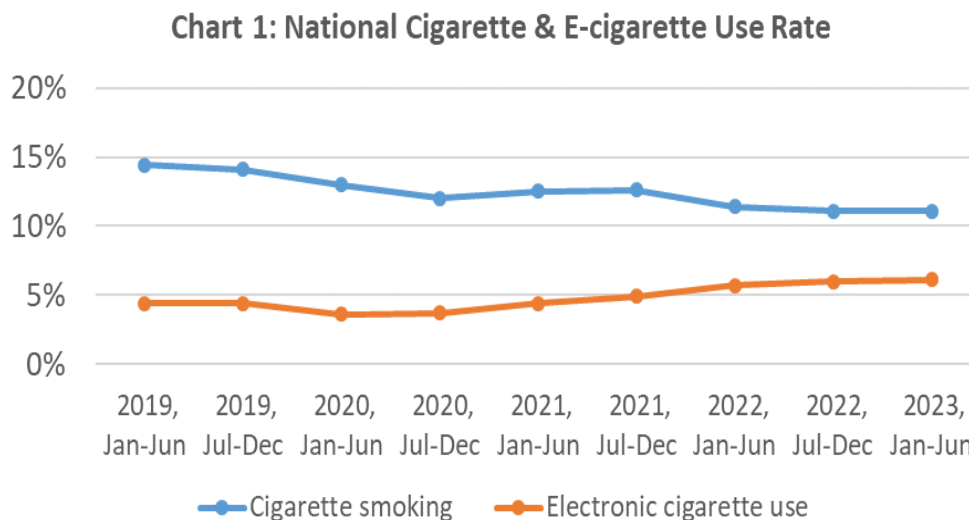
\$7,482.90

Comments
3 weeks @ 10 hours a week to check work/train
3 weeks @ 40 hours a week
3 weeks @ 40 hours a week
3 weeks @ 40 hours a week

Officials from **St. Louis County** indicated this amendment should have no fiscal impact on their county.

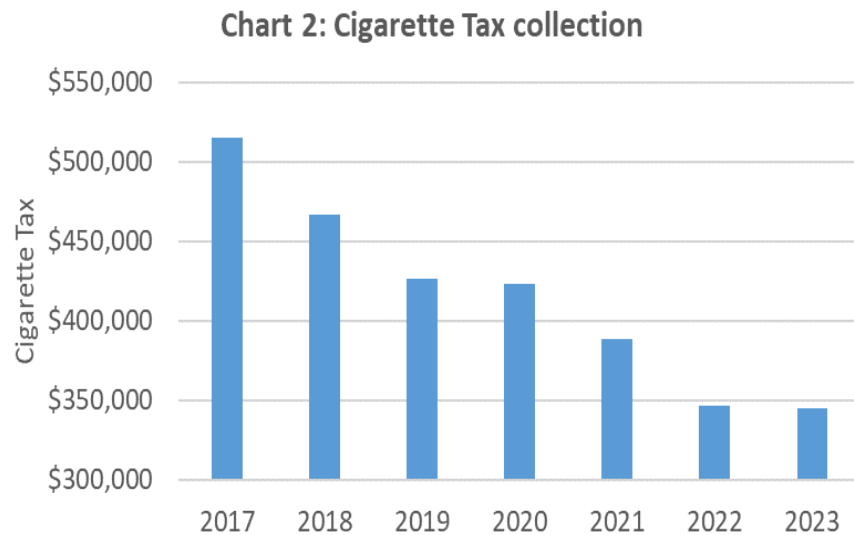
Officials from the **City of Columbia** indicated their local government estimates the fiscal impact of this initiative petition for fiscal years 2024, 2025, and 2026 to be as follows:

Surveys administered by the National Center for Health Statistics have found that, as cigarette usage has dropped among adults in the US, electronic cigarette usage has increased.¹ It is reasonable to assume that a certain portion of prior cigarette users have switched to e-cigarette use.



Consistent with this trend, the City of Columbia has experienced a 33% fall in revenue from cigarette taxes over the last six years (as shown in Chart 2 below).

¹ https://wwwn.cdc.gov/NHISDataQueryTool/ER_Biannual/index_biannual.html



The amendment proposes granting greater control to local voters regarding taxes levied on tobacco products, which include electronic cigarettes.² Until local voters change the excise tax on cigarettes and tobacco products, current trends and substitution to e-cigarettes will continue to have a detrimental impact on local government revenue collection. If voters approve an excise tax on e-cigarettes, then, in FY 25 and FY 26, the City of Columbia would add approximately \$11,841 to \$59,206 annually, assuming a per unit rate of \$0.10 to \$0.50 is adopted. Furthermore, increasing the excise tax rate on cigarettes could add approximately \$345,177.50 annually if the excise tax is increased to \$0.20 per pack of cigarettes. Calculations and estimations are detailed below:

Population Over 18 in Columbia, MO	99,551
Estimated E-cigarette Users in Columbia, MO	6,073
Average US E-cigarette Usage Rate	19.5
Estimated Annual E-cigarette Sales in Columbia, MO	\$118,420

Assuming Columbia's overall electronic cigarette usage rate is that of the most recent national rate, 6.1%, Columbia has approximately 6,073 electronic cigarette users. The CDC has estimated that electronic cigarette sales averaged 23.91 million units per month, which means electronic cigarette users average 1.62 units per month or 19.5 units per year.³ Simply extending the \$0.10 per unit tax currently collected on packs of cigarettes in Columbia to electronic cigarette sales would generate \$11,842.35 in tax revenue per year.

² <https://www.federalregister.gov/documents/2023/03/20/2023-03950/definition-of-the-term-tobacco-product-in-regulations-issued-under-the-federal-food-drug-and#:~:text=Tobacco%20product%20means%20any%20product,or%20accessory%20of%20a%20tobacco>

³ https://www.cdcfoundation.org/Issue33-MonthlyECigaretteSalesDataBrief_9.10.2023.pdf?inline

The petition would allow altering the rate collected on cigarettes and other tobacco products, which are among the lowest in the nation here in Columbia and across Missouri. Such changes could have significant fiscal impacts. Demand for cigarettes is considered to be inelastic, so increases in the per unit excise tax rate would likely have a proportional impact on the total tax collected.

Tax Rate	Additional Revenue from E-Cigarette Tax	Additional Revenue from Change to Existing Cigarette Tax*	Additional Revenue from Change to Cigarette & Other Tobacco Tax
\$0.10	\$11,842.04	\$0 (Current Rate)	\$11,842.04
\$0.20	\$23,684.08	\$345,177.50	\$368,861.58
\$0.50	\$59,210.20	\$1,380,710.00	\$1,439,920.20

*Calculated based on FY 23 cigarette excise collection as shown in Chart 2.

The business license office anticipates that changes to taxes regarding cigarette and tobacco products, including electronic cigarettes, would necessitate an additional 0.5 FTE business service technician, which would cost the City anywhere from \$18,962.50 to \$27,685 annually.

Officials from the **City of Kansas City** indicated this petition would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated there will not be any significant impact to the University of Missouri system.

Officials from the **Missouri Veterans Commission** (MVC) indicated there is no fiscal impact to MVC on Initiative Petition.

Officials from the **Kansas City Board of Police Commissioners** indicated there is no immediate cost or savings that will affect KCPD.

Officials from the **St. Louis County Board of Elections** indicated they have reviewed initiative petition 24-171 and see no fiscal impact to their operations.

Officials from the **Board of Election Commissioners City of St. Louis** indicated if an election was called, the cost of a city wide election could be upwards of 300k.

Officials from the **Kansas City Board of Election Commissioners** indicated the cost to conduct a jurisdiction-wide election in the Kansas City portion of Jackson County is

\$850,000. If the election is held on a Primary or General election day, the cost is allocated one third each to Jackson County, Kansas City and the State. Outside those two dates, the cost is allocated based on voter registration for the entities participating in that election.

Officials from the **Platte County Board of Elections** indicated no fiscal impact to their Board of Elections.

Officials from the **Jackson County Election Board** indicated requiring the local election authority to create a ballot title for the Local Voters' Right and Option to Set Tobacco Taxes Initiatives would require legal review by both Election Board attorneys.

Cost \$500.00 - \$1,000.00

If the election were to be held on a primary or general election Jackson County would have a budget already in place for an additional question.

If an election were to be held in an off year or a non-countywide election the cost would be substantial.

The amount below would be for Eastern Jackson County only. The Kansas City Election Board would have to provide their cost for Kansas City proper.

Cost of a non-budgeted countywide election (Eastern Jackson County only)

\$600,000 - \$700,000.

Bradley Ketcher, Ketcher Law Firm, LLC provided the following information:

This proposed measure would give local voters in counties control over local tobacco taxes in those counties. It does not call for a tax increase or decrease, but simply gives local voters the right and option to set their own local tobacco taxes.

It is directly analogous to statutory IP 24-113, which your office developed a fiscal note and summary for earlier this year. Like the current initiative, that proposal would give local voters the “right and option” to set certain taxes. In the fiscal note for that measure, your office found no cost or savings for state or local governments.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, St. Louis Community College, the Metropolitan Police Department - City**

of St. Louis, St. Charles County Election Authority, and the Clay County Board of Election Commissioners.

Fiscal Note Summary

State and local governmental entities estimate no direct costs or savings. Attempts to implement a local tobacco tax, or to modify an existing local tobacco tax, could result in changes in revenue or increased election related or other costs for these entities that cannot be estimated.



JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

November 14, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

NOV 14 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Deirdre Hirner regarding a proposed constitutional amendment to Article X, version 2 (2024-170)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Deirdre Hirner on November 13, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John Ashcroft, Secretary of State for the state of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[Official Ballot title]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Number) (Street), (City, Town, or Village)	ZIP CODE	CONGR. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis).

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age. I do ____ do not ____ (check one) expect to be paid for circulating this petition.

If paid, list the payer:

(Name of payer)

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Address of Affiant (Street, City, State & Zip Code)

Subscribed and sworn to before me this ____ day of _____, A.D. 202____.

Notary Public (Seal)

My commission expires _____

Signature of Notary

Address of Notary (Street, City, State & Zip Code)

Be it resolved by the people of the state of Missouri that the Constitution be amended:

One new section in Article X to be known as Section 27 is enacted as follows:

Section 27

1. This section shall be known as the “Local Voters’ Right and Option to Set Tobacco Taxes Initiative.”

2. Notwithstanding section 1 of this article or any other law to the contrary, local voters shall have the right and option to set tobacco taxes in counties.

3. Any tobacco tax approved by local voters under this initiative shall be used solely for education, health and mental health, crime prevention, job creation, veterans’ services, or other local use specifically approved by voters.

4. As used in this initiative, the following terms have the following meanings:

(1) “Local voters” shall not mean the General Assembly nor the local governing body in a county, but shall only mean a majority of the qualified voters casting ballots in an election in a county on a county-wide tobacco tax measure, whether submitted to local voters by the local governing body or by initiative petition.

(2) “Right and option to set tobacco taxes” means the right, power, and authority to set, control, impose, establish, levy, collect, fix, reduce, eliminate, or change the rate, base, or dedicated use of a county excise tax on cigarettes or tobacco products, or other tax on cigarettes or tobacco products, or on the selling of cigarettes or tobacco products, or on the business of selling cigarettes or tobacco products.

5. All existing local tobacco taxes in place on the effective date of this initiative shall remain in effect provided, however, that the rate, base, or dedicated use of such local tobacco taxes may only be modified with the approval of local voters.

6. The provisions of this initiative are self-executing. Governing bodies in counties are authorized, but not mandated, to submit measures to local voters to set local tobacco taxes at authorized elections. In addition, the people are authorized, but not mandated, to submit measures to local voters by initiative petition to set local tobacco taxes at authorized elections occurring after the date this initiative is approved by voters. The people may submit measures under existing county initiative petition procedures where otherwise available or, under this subsection, by filing with the appropriate local election authority or authorities a petition signed by five percent of the qualified voters of the county as measured by the total number of votes cast for governor in such county at the last general gubernatorial election prior to the filing of the petition. Any initiative petition submitted under the process created by this subsection that has a deficient number of valid signatures shall have thirty days after notification of such deficiency to submit additional valid signatures and cure the petition. Initiative petitions submitted under the process created by this subsection shall include the rate, base, and dedicated use of any tax revenue, but only if the tax rate is increased or tax base broadened, along with related administrative provisions. The ballot title for initiative petitions submitted under the provisions created by this subsection shall be fifty words or less, excluding articles, shall be prepared by the local election authority or authorities, and shall be a true and impartial statement of the purposes of the proposed measure in language neither intentionally argumentative nor likely to create prejudice either for or against the proposed measure. Both the adequacy of signatures and the formulation of the ballot title shall be subject to judicial review. If approved by local voters, the proposal shall carry the force of law. For purposes of this subsection, “authorized election” means any election day after January 1, 2026. However, where the people submit a measure to set local tobacco taxes through the initiative petition provisions established under this subsection, the authorized election shall be the earliest available election day, whether a general, primary, general municipal, or other established election day, after sufficient valid signatures are submitted that is also after January 1, 2025.

7. All of the provisions of this initiative are severable. If any provision of this initiative is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions shall be and remain valid.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-170)**

Subject

Initiative petition from Deirdre Hirner regarding a proposed constitutional amendment to Article X. (Received November 14, 2023)

Date

December 8, 2023

Description

This proposal would amend Article X of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Veterans Commission**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, **St. Charles County Election Authority**, **St. Louis County Board of Elections**, **Board of Election Commissioners City of St. Louis**, **Kansas City Board of Election Commissioners**,

Platte County Board of Elections, Jackson County Election Board, and the Clay County Board of Election Commissioners.

Bradley Ketcher, Ketcher Law Firm, LLC provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-170 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their agency, however, the voting on local tobacco taxes could have an impact on local health agencies as the tobacco tax approved by local voters under this initiative shall be used solely for education, health and mental health, crime prevention, job creation, veterans' services or other local use specifically approved by voters.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-170 proposing to amend Article X.

Officials from the **Department of Revenue** indicated this IP attempts to give local political subdivisions the ability to vote on and create a tax on tobacco products. Currently, the only two local political subdivisions that have a tax on tobacco are Jackson County and St. Louis County. The businesses in those areas remit the tax to the Department of Revenue and the Department distributes it. As reimbursement for the administration of this tax, the Department is allowed to retain 1% of all tobacco tax remitted.

While this proposal would allow the voters in their local political subdivision to implement a tax, this IP does not address who will collect the tax and where it is to be distributed. The Department of Revenue (Department) notes while the proposal appears to require the collection of the tax, it does not give the locals or the Department the necessary authority to actually collect the tobacco tax or to deposit the tobacco tax into any state or local fund. Therefore it appears this tobacco tax will not generate any revenue to the state, to any local political subdivision, or to any Fund.

Officials from the **Department of Public Safety** indicated no impact for their department.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to local tobacco taxation does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-170 will not impact their department because it will have no fiscal impact on their department because it will not impact the rate of state sales tax.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to local tobacco taxation does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-170, a proposed constitutional amendment to Article X, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, Section 115.063.2, RSMo, requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Sections 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, they estimate publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-170 will have no fiscal impact on their office.

Officials from the **Office of the State Treasurer** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are estimated costs to report from the County of Greene for 24-170 proposing to amend Article X. The anticipated cost for verification of the signatures for the petition is **\$7,482.90**. This estimate is based on the number of hours from signatures verified in 2022. An attachment with the estimate totals has been provided.

In addition, there is to their knowledge no adequate information available to know the volume of sales of tobacco products at retail establishments where tobacco product are sold within Greene County to create an estimate of potential sales tax the county would receive if a sales tax rate is applied to each tobacco purchase. The Greene County Budget office was contacted regarding any tobacco sales data specific to Greene County they could provide, as well as the Missouri Department of Revenue. Neither office was able to provide the sales data needed to create a reliable estimate. If this data does become available, an estimate could then be submitted.

The county budgets financial resources for petition signature verification work via temporary employees. The information received notated that in the attached spreadsheet. As previously mentioned, the resources allocated for signature verification are a cost for the county that is reflected through the hiring of temporary employees and the work of regular employees in fulfillment of the work necessary to verify the signatures. As an office this same process to takes place in terms of costs associated to administer elections by regular employees of the office and Sunshine requests that require research time by regular employees of the office for example.

Greene County Employee Initiative Petition Signature Costs

Employee	Rate of Pay	Estimate Hours*	Total Cost
Coordinator	23.07	30	\$692.10
Clerk I	15.49	120	\$1,858.80
Temporary Employee	20.55	120	\$2,466.00
Temporary Employee	20.55	120	\$2,466.00

*Estimate based on number of hours from 2022 petition

\$7,482.90

Comments
3 weeks @ 10 hours a week to check work/train
3 weeks @ 40 hours a week
3 weeks @ 40 hours a week
3 weeks @ 40 hours a week

Officials from **St. Louis County** indicated this proposal will not have a fiscal impact to their county.

Officials from the **City of Kansas City** indicated this petition would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated there will not be any significant impact to the University of Missouri system.

Officials from the **Missouri Veterans Commission** (MVC) indicated there is no fiscal impact to MVC on Initiative Petition 24-170.

Officials from the **Kansas City Board of Police Commissioners** indicated they are unable to determine any cost or savings that this measure would have on their board. Any funds from this petition would be determined at a later time by voters.

Officials from the **St. Louis County Board of Elections** indicated they have reviewed initiative petition 24-170 and see no fiscal impact to their operations.

Officials from the **Board of Election Commissioners City of St. Louis** indicated the initiative petition has the potential of generating an election on the soonest available day. If the petition generated a city wide election the cost of the election could be upwards of 300K.

Officials from the **Kansas City Board of Election Commissioners** indicated the cost to conduct a jurisdiction-wide election in the Kansas City portion of Jackson County is \$850,000. If the election is held on a Primary or General election day, the cost is allocated one third each to Jackson County, Kansas City and the State. Outside those two dates, the cost is allocated based on voter registration for the entities participating in that election.

Officials from the **Platte County Board of Elections** indicated there is no fiscal impact to their Board of Elections.

Officials from the **Jackson County Election Board** indicated requiring the local election authority to create a ballot title for the Local Voters' Right and Option to Set Tobacco Taxes Initiatives would require legal review by both Election Board attorneys.

Cost \$500.00 - \$1,000.00

If the election were to be held on a primary or general election Jackson County would have a budget already in place for an additional question.

If an election were to be held in an off year or a non-countywide election the cost would be substantial.

The amount below would be for Eastern Jackson County only. The Kansas City Election Board would have to provide their cost for Kansas City proper.

Cost of a non-budgeted countywide election (Eastern Jackson County only)

\$600,000 - \$700,000.

Bradley Ketcher, Ketcher Law Firm, LLC provided the following information:

This proposed measure would give local voters in counties control over local tobacco taxes in those counties. It does not call for a tax increase or decrease, but simply gives local voters the right and option to set their own local tobacco taxes.

It is directly analogous to statutory IP 24-113, which your office developed a fiscal note and summary for earlier this year. Like the current initiative, that proposal would give local voters the “right and option” to set certain taxes. In the fiscal note for that measure, your office found no cost or savings for state or local governments.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, St. Louis Community College, the Metropolitan Police Department - City of St. Louis, St. Charles County Election Authority, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no direct costs or savings. Attempts to implement a local tobacco tax, or to modify an existing local tobacco tax, could result in changes in revenue or increased election related or other costs for these entities that cannot be estimated.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

November 14, 2023

RECEIVED

NOV 14 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Deirdre Hirner regarding a proposed constitutional amendment to Article X, version 1 (2024-169)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Deirdre Hirner on November 13, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John Ashcroft, Secretary of State for the state of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[Official Ballot title]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Number) (Street), (City, Town, or Village)	ZIP CODE	CONGR. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis).

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age. I do ____ do not ____ (check one) expect to be paid for circulating this petition.

If paid, list the payer:

(Name of payer)

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Address of Affiant (Street, City, State & Zip Code)

Subscribed and sworn to before me this ____ day of _____, A.D. 202____.

Notary Public (Seal)

My commission expires _____

Signature of Notary

Address of Notary (Street, City, State & Zip Code)

Be it resolved by the people of the state of Missouri that the Constitution be amended:

One new section in Article X to be known as Section 27 is enacted as follows:

Section 27

1. This section shall be known as the “Local Voters’ Right and Option to Set Tobacco Taxes Initiative.”

2. Notwithstanding section 1 of this article or any other law to the contrary, local voters shall have the right and option to set tobacco taxes in counties.

3. As used in this initiative, the following terms have the following meanings:

(1) “Local voters” shall not mean the General Assembly nor the local governing body in a county, but shall only mean a majority of the qualified voters casting ballots in an election in a county on a county-wide tobacco tax measure, whether submitted to local voters by the local governing body or by initiative petition.

(2) “Right and option to set tobacco taxes” means the right, power, and authority to set, control, impose, establish, levy, collect, fix, reduce, eliminate, or change the rate, base, or dedicated use of a county excise tax on cigarettes or tobacco products, or other tax on cigarettes or tobacco products, or on the selling of cigarettes or tobacco products, or on the business of selling cigarettes or tobacco products.

4. All existing local tobacco taxes in place on the effective date of this initiative shall remain in effect provided, however, that the rate, base, or dedicated use of such local tobacco taxes may only be modified with the approval of local voters.

5. The provisions of this initiative are self-executing. Governing bodies in counties are authorized, but not mandated, to submit measures to local voters to set local tobacco taxes at authorized elections. In addition, the people are authorized, but not mandated, to submit measures to local voters by initiative petition to set local tobacco taxes at authorized elections occurring after the date this initiative is approved by voters. The people may submit measures under existing county initiative petition procedures where otherwise available or, under this subsection, by filing with the appropriate local election authority or authorities a petition signed by five percent of the qualified voters of the county as measured by the total number of votes cast for governor in such county at the last general gubernatorial election prior to the filing of the petition. Any initiative petition submitted under the process created by this subsection that has a deficient number of valid signatures shall have thirty days after notification of such deficiency to submit additional valid signatures and cure the petition. Initiative petitions submitted under the process created by this subsection shall include the rate, base, and any dedicated use of tax revenue, but only if the tax rate is increased or tax base broadened, along with related administrative provisions. The ballot title for initiative petitions submitted under the provisions created by this subsection shall be fifty words or less, excluding articles, shall be prepared by the local election authority or authorities, and shall be a true and impartial statement of the purposes of the proposed measure in language neither intentionally argumentative nor likely to create prejudice either for or against the proposed measure. Both the adequacy of signatures and the formulation of the ballot title shall be subject to judicial review. If approved by local voters, the proposal shall carry the force of law. For purposes of this subsection, “authorized election” means any election day after January 1, 2026. However, where the people submit a measure to set local tobacco taxes through the initiative petition provisions established under this subsection, the authorized election shall be the earliest available election day, whether a general, primary, general municipal, or other established election day, after sufficient valid signatures are submitted that is also after January 1, 2025.

7. All of the provisions of this initiative are severable. If any provision of this initiative is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions shall be and remain valid.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

November 13, 2023

RECEIVED

NOV 13 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from JoAnn Franklin regarding a proposed constitutional amendment to Article XV (2024-168)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by JoAnn Franklin on November 13, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____ being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

NAME {Signature}	DATE SIGNED	REGISTERED VOTING ADDRESS (Street)/City Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
2.					
3.					
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11.					
12.					
13.					
14.					
15.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town, or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age; I do _____ do not _____ (check one) expect to be paid for circulating this petition. If paid, list the payer.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of

Subscribed and sworn to before me this _____ day of _____ A.D. 20__

Signature
Notary
Public (Seal)

My commission expires: _____

Address of
Notary

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article XV of the Missouri Constitution is revised by amending and adding Article XV Section 1. The following underlined text would be added.

ARTICLE XV
HEALTHCARE SECTION 1

1. The purpose of this section is to permit Missouri licensed Advanced Practice Registered Nurses to provide healthcare to patients who chose an Advanced Practice Registered Nurse for healthcare. Advanced Practice Registered Nurses will increase healthcare availability throughout Missouri by offering more choice of healthcare providers. This creates a larger healthcare network in Missouri with Advanced Practice Registered Nurses who are included in healthcare insurance panels. Advanced Practice Registered Nurses will improve health results throughout Missouri by increasing health prevention, health education, diagnosis, and treatment of acute and chronic health conditions, including prescribing all needed medications. In communities this will decrease wait times to get healthcare, reduce transportation issues having more local healthcare and increase provider choice while reducing healthcare costs for patients and Missouri.
2. Definition. "Advanced Practice Registered Nurses" includes Certified Nurse Practitioners, Certified Clinical Nurse Specialists, Certified Nurse Midwives and Certified Nurse Anesthetists licensed and in good standing under Missouri law.
3. Advance Practice Registered Nurses are licensed healthcare practitioners regulated solely by Missouri State Board of Nursing. Advanced Practice Registered Nurses shall practice with an Advanced Practice Registered Nurse license issued by Missouri State Board of Nursing.
4. Advanced Practice Registered Nurses may and will collaborate with any other healthcare professionals as determined by patient needs, including but not limited to physicians, pharmacists, registered professional nurses, physical therapists, occupational therapists, speech therapists, audiologists without required written agreements.
5. The Missouri General Assembly or the Missouri Executive Branch shall not enact laws or rules that are inconsistent with this section.
6. Advanced Practice Registered Nurses licensed and granted a controlled substance prescriptive authority certificate by Missouri State Board of Nursing can prescribe schedule II-V controlled substances, after obtaining registrations from the Missouri Bureau of Narcotics and Dangerous Drugs (BNDD) and the Federal Drug Enforcement Administration (DEA) which then allows Missouri Board of Pharmacy to accept all prescriptions prescribed by Advanced Practice Registered Nurses.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-168)**

Subject

Initiative petition from JoAnn Franklin regarding a proposed constitutional amendment to Article XV. (Received November 13, 2023)

Date

December 1, 2023

Description

This proposal would amend Article XV of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-168 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department. They also indicated the initiative petition proposes a constitutional amendment to Article XV that adds a new section regarding Advanced Practice Registered Nurses (APRNs). The proposed amendment allows APRNs to provide healthcare to patients who chose an APRN for healthcare and defines Advance Practice Registered Nurses as including Certified Nurse Practitioners, Certified Clinical Nurse Specialists, Certified Nurse Midwives and Certified Nurse Anesthetists licensed and in good standing under Missouri law. The proposed amendment would also allow APRNs to be granted a controlled substance prescriptive authority certificate after obtaining registrations from the Missouri Bureau of Narcotics and Dangerous Drugs (BNDD) and the Federal Drug Enforcement Administration (DEA).

The Department of Health and Senior Services' Bureau of Narcotics and Dangerous Drugs (BNDD) currently registers APRNs, with the exception of Certified Nurse Anesthetists, which are exempt from the current statute. Should the proposed amendment become effective, BNDD would begin registering Certified Nurse Anesthetists as another type of APRN. Any new or additional applications and registrations could be absorbed in the normal ebb and flow of the program.

It is assumed that their department can absorb the costs of this bill with current resources. However, if the workload significantly increased or other legislation was enacted, additional resources would be requested through the appropriation process.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department. The Missouri State

Board of Nursing is currently licensing these nurses and does not anticipate anything in this initiative petition would increase the board's costs, therefore they do not anticipate a fiscal impact.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the Initiative Petition 24-168 proposing to amend Article XV.

Officials from the **Department of Revenue** indicated after a thorough review of IP 24-168, their department assumes this will not have a fiscal or administrative impact on their Department or their operations. Their department also notes no impact is expected to state tax revenue from this IP 24-168.

Officials from the **Department of Public Safety** indicated no impact for their department.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to advanced practice nurses does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated IP 24-168 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to advanced practice nurses does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-168 a proposed constitutional amendment to Article XV, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, they estimate publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-168 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for initiative petition 24-168 proposing to amend Article XV.

Officials from **St. Louis County** indicated this proposal will not have a fiscal impact to their county.

Officials from the **City of Kansas City** indicated the amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they have reviewed the petition initiative and do not see an impact to their college; however, if the petition would require certain testing and licensure, their answer may change.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

October 27, 2023

RECEIVED

OCT 27 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from JoAnn Franklin regarding a proposed constitutional amendment to Article XV (2024-167)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by JoAnn Franklin on October 26, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____ c:

_____ being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) /City Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____ A.D. 20__

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article XV of the Missouri Constitution is revised by amending and adding Article XV Section 1. The following underlined text would be added.

ARTICLE XV
HEALTHCARE SECTION 1

1. The purpose of this section is to permit Missouri licensed Advanced Practice Registered Nurses to provide healthcare to patients who chose an Advanced Practice Registered Nurse for healthcare. Advanced Practice Registered Nurses will increase healthcare availability throughout Missouri by offering more choice of healthcare providers. This creates a larger healthcare network in Missouri with Advanced Practice Registered Nurses who are included in healthcare insurance panels. Advanced Practice Registered Nurses will improve health results throughout Missouri by increasing health prevention, health education, diagnosis, and treatment of acute and chronic health conditions, including prescribing all needed medications. In communities this will decrease wait times to get healthcare, reduce transportation issues having more local healthcare and increase provider choice while reducing healthcare costs for patients and Missouri.

2. Definition. "Advanced Practice Registered Nurses" includes Certified Nurse Practitioners, Certified Clinical Nurse Specialists, Certified Nurse Midwives and Certified Nurse Anesthetists licensed and in good standing under Missouri law.

3. Advanced Practice Registered Nurses are licensed healthcare practitioners regulated solely by Missouri State Board of Nursing. Advanced Practice Registered Nurses shall practice with an Advanced Practice Registered Nurse license issued by Missouri State Board of Nursing.

4. Advanced Practice Registered Nurses may and will collaborate with any other healthcare professionals as determined by patient needs, including but not limited to physicians, pharmacists, registered professional nurses, physical therapists, occupational therapists, speech therapists, audiologists without required written agreements.

5. The Missouri General Assembly or the Missouri Executive Branch shall not enact laws or rules that are inconsistent with this section.

6. Advanced Practice Registered Nurses licensed and granted a controlled substance prescriptive authority certificate by Missouri State Board of Nursing can prescribe schedule II-V controlled substances, after obtaining registrations from the Missouri Bureau of Narcotics and Dangerous Drugs (BNDD) and the Federal Drug Enforcement Administration (DEA) which then allows Missouri Board of Pharmacy to accept all prescriptions prescribed by Advanced Practice Registered Nurses.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

RECEIVED

OCT 16 2023

STATE AUDITORS OFFICE

ELECTIONS DIVISION
(573) 751-2301

October 16, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from JoAnn Franklin regarding a proposed constitutional amendment to Article XV (2024-166)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by JoAnn Franklin on October 16, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE
PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____
being first duly sworn, say (print or type names of signers)

(Petition Circulator's Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) /City Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
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I signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____ A.D. 20__

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

ARTICLE XV

HEALTHCARE SECTION

1. The purpose of this section is to permit Missouri licensed Advanced Practice Registered Nurses to provide healthcare to patients who chose an Advanced Practice Registered Nurse for healthcare. Advanced Practice Registered Nurses will increase healthcare availability throughout Missouri by offering more choice of healthcare providers. This creates a larger healthcare network in Missouri with Advanced Practice Registered Nurses who are included in healthcare insurance panels. Advanced Practice Registered Nurses will improve health results throughout Missouri by increasing health prevention, health education, diagnosis, and treatment of acute and chronic health conditions, including prescribing all needed medications. In communities this will decrease wait times to get healthcare, reduce transportation issues having more local healthcare and increase provider choice while reducing healthcare costs for patients and Missouri.
2. Definition. "Advanced Practice Registered Nurses" includes Certified Nurse Practitioners, Certified Clinical Nurse Specialists, Certified Nurse Midwives and Certified Nurse Anesthetists licensed and in good standing under Missouri law.
3. Advanced Practice Registered Nurses are licensed healthcare practitioners regulated solely by Missouri State Board of Nursing. Advanced Practice Registered Nurses shall practice with an Advanced Practice Registered Nurse license issued by Missouri State Board of Nursing.
4. Advanced Practice Registered Nurses may and will collaborate with any other healthcare professionals as determined by patient needs, including but not limited to physicians, pharmacists, registered professional nurses, physical therapists, occupational therapists, speech therapists, audiologists without required written agreements.
5. The Missouri General Assembly or the Missouri Executive Branch shall not enact laws or rules that are inconsistent with this section.
6. Advanced Practice Registered Nurses licensed and granted a controlled substance prescriptive authority certificate by Missouri State Board of Nursing can prescribe schedule II-V controlled substances, after obtaining registrations from the Missouri Bureau of Narcotics and Dangerous Drugs (BNDD) and the Federal Drug Enforcement Administration (DEA) which then allows Missouri Board of Pharmacy to accept all prescriptions prescribed by Advanced Practice Registered Nurses.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

RECEIVED

OCT 11 2023

STATE AUDITORS OFFICE

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

October 11, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Greta Bax regarding a proposed constitutional amendment to Article III, version 4 (2024-165)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Greta Bax on October 11, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by amending Section 39(e).

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article III of the Constitution is revised by amending Section 39(e) to read as follows:

Section 39(e). 1. The general assembly is authorized to permit upon the Mississippi and Missouri Rivers only, which shall include artificial spaces that contain water and that are within 1000 feet of the closest edge of the main channel of either of those rivers, lotteries, gift enterprises and games of chance to be conducted on excursion gambling boats and floating facilities. Any license issued before or after the adoption date of this amendment for any excursion gambling boat or floating facility located in any such artificial space shall be deemed to be authorized by the General Assembly and to be in compliance with this Section.

2. Notwithstanding any other provision of law to the contrary, lotteries, gift enterprises, and games of chance may be conducted on excursion gambling boats and floating facilities licensed by the Missouri Gaming Commission upon the portion of the Osage River from the Missouri River to the Bagnell Dam, which shall include artificial spaces that contain water and that are within 500 feet of the 100-year base flood elevation as established by the Federal Emergency Management Agency.

3. Notwithstanding any other provision of law to the contrary, in addition to such licenses as have been authorized prior to January 1, 2024, the Missouri Gaming Commission shall issue one additional excursion gambling boat license. Such license shall only be issued to an excursion gambling boat that will operate upon the portion of the Osage River from the Missouri River to the Bagnell Dam.

4. Notwithstanding any other provision of law to the contrary, all state revenues derived from the issuance of excursion gambling boat licenses issued after January 1, 2024 shall only be appropriated to early-childhood literacy programs in public institutions of elementary education and shall not be included within the definition of "total state revenues" in section 17 of article X of this constitution.

5. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

[NOTICE: You are advised that the proposed constitutional amendment may be construed to change, repeal, or modify by implication Article III, Sections 39, 39(9), and 39(e).]

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-165)**

Subject

Initiative petition from Greta Bax regarding a proposed constitutional amendment to Article III. (Received October 11, 2023)

Date

October 31, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **State Auditor's office**, and the **Missouri Gaming Commission**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-165 and determined there is no measureable impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition is a no impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health (DMH)** indicated this petition would modify Article III, Section 39(e) of the Missouri Constitution regarding excursion gambling boats. Implementation of the initiative petition may result in increased demand for DMH services due to increased access to gambling opportunities but does not appear to mandate any individual to receive treatment which will remain voluntary.

The initiative petition does not appear to create an additional fiscal impact to DMH unless the number of consumers increases and requires additional services to be provided by DMH.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition proposing to amend Article III, version 4.

Officials from the **Department of Revenue** indicated after thorough review, the Department's response to this initiative petition:

IP24-165 attempts to expand the existing number of excursion gambling boats in the state of Missouri. It appears it wants the Missouri Gaming Commission (Commission) to add an additional excursion gambling boat on the Osage River.

Currently in Section 313.870 the Commission is restricted to issuing not more than 13 excursion gambling boat licenses. This proposal would add another license, to be issued to an excursion gambling boat on the Osage River.

This proposal states that the annual license fee of the Osage River excursion gambling boat is to be appropriated solely for early-childhood literacy programs in public institutions of elementary education. The Department of Revenue (Department) notes while the proposal appears to require the Osage River excursion gambling boat to pay for the license, it does not give the Commission the necessary authority to actually collect the license fee or to deposit the fee into any state fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears this license fees will not generate any revenue to the state, the Commission, or to any Fund.

The Department notes that once the license is issued, the Osage River excursion gambling boat would be subject to all the current collection requirements of the admission fees and taxes that the current excursion gambling boats collect. The Department would be required to add this boat to our gambling revenue collection database. That can be done with existing resources.

The Department defers to the Commission for an estimate of the revenue generated from an additional excursion gambling boat from admission fees and taxes.

Officials from the **Department of Public Safety - Office of the Director** indicated there is no impact for their department, Director's Office.

The Missouri State Highway Patrol will have an impact.

Response from the Missouri State Highway Patrol:

The Patrol is tasked with enforcing gaming regulations at Missouri's thirteen (13) casinos. This proposal would add one (1) casino and the Patrol would have expenses related to staffing the additional casino. Using the current staffing model for the other casinos around the state, the Patrol is requesting nine (9) additional FTE to staff the additional casino. The one time and on-going expenses would include salary, fringe, vehicles, gasoline, and related equipment and funding for these positions would come from the Gaming Fund (0286). These expenses and equipment costs are shown below differentiating the one time and on-going costs for the nine (9) FTE.

In addition to the expenses indicated for the nine (9) FTE that will be transferring from Highway funded positions, it is assumed there will be an unknown savings to the Highway

Fund (0644), as those nine tenured troopers would be replaced with Highway funded probationary troopers.

Salary:

Position Title: Sergeant (V07005)
Annual Salary per FTE: \$99,648
Total Cost for Salaries: \$896,832

Fringe:

Annual Cost per FTE: \$85,637
Total Fringe Amount: \$770,733

Expense & Equipment:

Initial Costs: \$731,411
Ongoing Costs: \$192,103

Total Cost for Salaries, Fringe, & Associated Equipment:

Initial Cost: \$2,398,976

Ongoing Costs: \$1,859,668

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-165 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for initiative petition 24-165.

Officials from the **Office of Administration** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-165 a proposed constitutional amendment to Article III, version 4 (2024-165), there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-165 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-165 proposing to amend Article III, Version 4.

Officials from **St. Louis County** indicated the initiative petition would have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Jennings School District** indicated this proposed legislation should have a small but positive impact on their school district by generating additional revenue for early childhood literacy. It is unclear how much revenue such a limited proposal shall generate if divided among all 500+ school districts in MO. Our district has seen success with DESE allocating funds to early childhood literacy, from a logistical perspective.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **University of Missouri** indicated the University of Missouri System does not expect cost to exceed \$100,000.

Official from **St. Louis Community College** indicated they have reviewed the petition initiative and do not see a financial impact to their college.

Officials from the **State Auditor's office** (SAO) indicated there would be a fiscal impact on the SAO. They believe this would create the need for a stand-alone performance audit consisting of 500 hours. 500 hours multiplied by \$90.00 per hour (current average audit cost per staff hour) equals a \$45,000 impact.

Officials from the **Missouri Gaming Commission** (MGC) indicated:

This proposal will affect the Missouri State Highway Patrol, Missouri Dept. of Revenue, Missouri Dept. of Mental Health, Missouri Dept. of Elementary and Secondary Education, Home Dock Cities/Counties.

This proposal may have an impact on local jurisdictions and businesses surrounding and in close proximity to the physical location of the proposed excursion gambling boat.

By allowing another casino to be licensed in Missouri, total state revenue will likely increase, in that one more casino will produce increased gaming tax and admission fees for the state and the home dock city in which it is located or increase gaming tax and admission fees for distribution to newly identified worthy causes.

Missouri Constitution, Article III, Section 39(e) (Amended by Initiative Petitions) – Permits an excursion gambling boat to be located on the portion of the Osage River between the Missouri River and the Bagnell Dam. It requires the Missouri Gaming Commission (the “Commission”) to issue one additional gambling boat license (the 14th license in the state) for an excursion gambling boat to be located on the portion of the Osage River between the Missouri River and the Bagnell Dam, to include artificial spaces

that contain water and that are within 500 feet of the 100-year base flood elevation as established by the Federal Emergency Management Agency.

Fiscal Impact

The Commission is basing its estimates for anticipated gaming revenues, taxes, and fees of an additional licensed casino on Century Casino Cape Girardeau in Cape Girardeau, Missouri. The Commission believes Century Casino Cape Girardeau would be comparable in size and volume of traffic to a casino located on the Osage River, likely near Osage Beach, Missouri (Lake of the Ozarks).

Anticipated revenue streams from an additional casino include initial licensing and renewal fees for the Class A Licensee (parent company), the Class B Licensee (casino company), Key Persons and Level I licensees (management), and Level II occupational licensees working at the casino. These fees would be paid to the Commission and deposited for use as identified in each Initiative Petition – (24-162) STEM Career Awareness Fund, (24-163) increase in teacher salaries, (24-164) pre-kindergarten education funding, and (24-165) early childhood literacy funding. The Commission estimates collecting fees totaling \$271,000 in the first year, followed by ongoing fee collections of \$63,100 each year thereafter.

The Commission estimates gaming taxes generated from an additional casino, based on the current 21% tax on annual gross revenue, to be \$14,339,908 each year. If the language of the Initiative Petitions is interpreted that “all state revenues derived from the issuance of excursion gambling boat licenses issued after January 1, 2024” applies to the collection and appropriation of licensing fees only and *not* tax revenues, the revenues would be divided as follows: \$12,905,917 to the State of Missouri and \$1,433,991 to the Home Dock City. The Commission would also collect admission fees of \$2,085,164 each year (\$1,042,582 to the State of Missouri and \$1,042,582 to the Home Dock City) resulting in total additional revenue of \$16,425,072 annually. These numbers are based on the FY 2023 MGC Annual Report using Century Casino Cape Girardeau data.

If the language of the Initiative Petitions, however, is interpreted that “all state revenues derived from the issuance of excursion gambling boat licenses issued after January 1, 2024” applies to both licensing fees and tax revenues, the licensing fees as described above would be distributed to the funds identified in each petition as well as \$14,339,908 in tax revenue and \$2,085,164 in admission fees. These collected taxes and admissions fees would be appropriated for: (24-162) STEM Career Awareness Fund, (24-163) increase in teacher salaries, (24-164) pre-kindergarten education funding, and (24-165) early childhood literacy funding.

The above figures would change if the language of the petitions is interpreted such that any renewal or new license issued to an existing excursion gambling boat after January 1, 2024, would be subject to the appropriations identified in proposed Article III, Section 39(e).4.

These Initiative Petitions propose to amend Article III, Section 39(e), but do not address Article III, Section 39(d), which states that gaming revenues shall be appropriated to public

institutions of elementary, secondary, and higher education. The proposed amendment to Article III, Section 39(e) creates a conflict with Article III, Section 39(d).

The Commission estimates needing three (3) FTE positions if another casino is opened, which include an Electronic Gaming Device Specialist I, a Gaming Financial Analyst, and an Administrative Support Professional – Licensing. The total first year cost for these three positions is estimated to be \$304,435.57, with a second year and ongoing cost of \$292,780.51. Additional Commission operational expenses for the additional casino are estimated to total \$20,014.18

Through the existing Memorandum of Understanding with the Missouri State Highway Patrol, additional troopers would need to be added to the Gaming Division to provide the support for the enforcement of criminal activity and gaming regulations at the new casino. The Commission estimates there would be eight (8) or nine (9) additional troopers assigned to this new excursion gambling boat. The Commission assumes the Missouri State Highway Patrol will submit a separate fiscal note for these positions and expenses on its own behalf.

Technical Notes:

Section 39(e).2 – This section amends existing Article III, Section 39(e) and permits the operation of excursion gambling boats “upon” the portion of the Osage River from the Missouri River to the Bagnell Dam, which shall include artificial spaces that contain water and that are within 500 feet of the 100-year base flood elevation as established by the Federal Emergency Management Agency. The use of “upon” is problematic in that all existing Missouri casinos are located in artificial spaces near, rather than upon, the Missouri and Mississippi Rivers. The Missouri Gaming Commission (the “Commission”) suggests using “located on” rather than “upon” in order to reduce confusion. Further, Article III, Section 39 as it exists presently permits excursion gambling boats within 1000 feet of the main channel of the Missouri or Mississippi Rivers. To reduce confusion, the Commission suggests that the present initiative petition specify the same distance (1000 feet). Historically, the analysis regarding flood plains has been performed utilizing data from the Army Corps of Engineers, and the Commission would suggest that continue. Further, the current language also permits non-floating facilities and the Commission would suggest continuity in the proposed Amendment.

Section 39(e).4 – This section states that “all state revenues derived from the issuance of excursion gambling boat licenses issued after January 1, 2024, shall only be appropriated” as follows:

Initiative Petition 24-162: to the STEM Career Awareness Fund

Initiative Petition 24-163: to fund increases in teacher salaries

Initiative Petition 24-164: to fund pre-kindergarten education

Initiative Petition 24-165: to fund early childhood literacy programs in schools

“All state revenues” raises the question as to whether this includes just licensing fees or licensing fees and tax revenues. Additionally, the Commission renews parent company

(Class A) licenses and excursion gambling boat (Class B) licenses every four years. The Commission also reviews the suitability of new Class A or Class B applicants and issues new Class A and/or Class B licenses in the event there is a change in ownership to one of the existing licenses. The language in this section, as applied, would potentially result in the entirety of state gaming revenues being appropriated to either STEM, teacher salaries, pre-kindergarten education, or early childhood literacy upon the renewal of any Class A or Class B license or the issuance of a new Class A or Class B license to an existing facility after January 1, 2024. As a result, the current worthy causes would no longer have any funds appropriated to them, as has been designated pursuant to Section 313.835, RSMo. Further, these Initiative Petitions propose to amend Article III, Section 39(e), but do not address Article III, Section 39(d), which states that gaming revenues shall be appropriated to public institutions of elementary, secondary, and higher education. The proposed amendment to Article III, Section 39(e) creates a conflict with Article III, Section 39(d).

They also provided the following information.

Osage River Gambling Boat - License Fees Only Interpretation

The below assumes that only the revenues received from licensing fees are appropriated to the applicable fund (see "Fund in Which Revenues are Deposited, by Petition Number). The Annual Revenues from the Admission Fees and Gaming Tax would still be distributed as specified in RSMo. 313.820 and 313.822.

Revenue Streams	Fee Amount	1st Year	2nd Year	3rd Year	4th Year	5th Year
Class A License Fee-Initial Fee ¹	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -
Class A License Fee-Annual Fee ¹	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Key Persons-Initial Fee ¹ -Estimate 10	\$ 15,000.00	\$ 150,000.00				
Key Persons- Annual Fee ¹ -Estimate 10	\$ 250.00		\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Class B License Fee-Initial Fee	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -
Class B License Fee-Annually	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Level 1 License Fee-Initial Fee- Estimate 6	\$ 1,000.00	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -
Level 1 License Fee-Annual Fee- Estimate 6	\$ 100.00	\$ -	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
Level 2 License Fee-Initial Fee- Estimate 200	\$ 75.00	\$ 15,000.00	\$ -	\$ -	\$ -	
Level 2 License Fee-Annual Fee- Estimate 200	\$ 50.00		\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
TOTAL FEES COLLECTED		\$ 271,000.00	\$ 63,100.00	\$ 63,100.00	\$ 63,100.00	\$ 63,100.00

¹ - Class A and Key Person fees would only be collected if a new Class A is approved.

Annual Revenue from Gambling Boat	Total	State Portion	Local Home Dock
Estimated Gaming Tax- 21% of AGR (a):	14,339,908	12,905,917	1,433,991
Estimated Admission Fees (b):	2,085,164	\$ 1,042,582	\$ 1,042,582
Total Received Annually	16,425,072	\$ 13,948,499	\$ 2,476,573
Estimates based off of FY 2023 MGC Annual Report-using Century Cape Girardeau Casino data			
(a) 90% of AGR goes to the State (Proceeds for Education), 10% goes to Local Home Dock			
(b) 50% of admission fees go to the State (MGC Fund 0286), 50% goes to Local Home Dock			

Fund in Which Revenues are Deposited, by Petition Number	
24-162	STEM Career Awareness Program
24-163	Annual Increases for Teacher Salaries
24-164	Public Pre-Kindergarten Education Programs
24-165	Early-Childhood Literacy Programs

Position Title	Number of FTE	Annual Salary	Annual Fringes (36.48% plus \$15,586)	IT Equipment (one time)	IT Equipment (ongoing)	Desk (one time)	Chair (one time)	File Cabinet (one time)	Calculator (one time)	Office Supplies (ongoing)	Voice/Data Wiring (one time)	Voice/Data (ongoing)	Annual Travel Expenses Related to Job Performance (ongoing)	TOTAL	Second Year and Ongoing
Electronic Gaming Device Spec	1	\$ 63,020.00	\$ 38,575.70	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 108,684.08	\$ 104,799.06
Gaming Financial Analyst	1	\$ 59,785.20	\$ 37,395.64	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 104,269.22	\$ 100,384.20
Admin Support Professional-Lic	1	\$ 50,416.10	\$ 33,977.79	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 91,482.27	\$ 87,597.25
TOTAL	3	\$ 173,221.30	\$ 109,949.13	\$ 4,938.06	\$ 1,234.08	\$ 1,803.00	\$ 2,157.00	\$ 1,797.00	\$ 60.00	\$ 1,116.00	\$ 900.00	\$ 1,260.00	\$ 6,000.00	\$ 304,435.57	\$ 292,780.51
Note: Salaries and expenses for the Gaming Division (GD) MSHP will be reimbursed by the casino.													Additional MGC expenses for boat:		
													Server,router,UPS	5,200.00	
													9 Laptops for GD	14,814.18	
													Total	\$ 324,449.75	

Osage River Gambling Boat - All Revenue Interpretation

The below assumes that the revenues received from licensing fees are appropriated to the applicable fund (see "Fund in Which Revenues are Deposited, by Petition Number). The Annual Revenues from the Admission Fees and Gaming Tax would also be distributed to the applicable fund.

Revenue Streams	Fee Amount	1st Year	2nd Year	3rd Year	4th Year	5th Year
Class A License Fee-Initial Fee ¹	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -
Class A License Fee-Annual Fee ¹	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Key Persons-Initial Fee ¹ -Estimate 10	\$ 15,000.00	\$ 150,000.00				
Key Persons- Annual Fee ¹ -Estimate 10	\$ 250.00		\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Class B License Fee-Initial Fee	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -
Class B License Fee-Annually	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Level 1 License Fee-Initial Fee- Estimate 6	\$ 1,000.00	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -
Level 1 License Fee-Annual Fee- Estimate 6	\$ 100.00	\$ -	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
Level 2 License Fee-Initial Fee- Estimate 200	\$ 75.00	\$ 15,000.00	\$ -	\$ -	\$ -	
Level 2 License Fee-Annual Fee- Estimate 200	\$ 50.00		\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
TOTAL FEES COLLECTED		\$ 271,000.00	\$ 63,100.00	\$ 63,100.00	\$ 63,100.00	\$ 63,100.00

¹ - Class A and Key Person fees would only be collected if a new Class A is approved.

Annual Revenue from Gambling Boat	Total
Estimated Gaming Tax- 21% of AGR	14,339,908
Estimated Admission Fees	2,085,164
Total Received Annually	<u>16,425,072</u>
Estimates based off of FY 2023 MGC Annual Report-using Century Cape Girardeau Casino data	

Fund in Which Revenues are Deposited, by Petition Number	
24-162	STEM Career Awareness Program
24-163	Annual Increases for Teacher Salaries
24-164	Public Pre-Kindergarten Education Programs
24-165	Early-Childhood Literacy Programs

Position Title	Number of FTE	Annual Salary	Annual Fringes (36.48% plus \$15,586)	IT Equipment (one time)	IT Equipment (ongoing)	Desk (one time)	Chair (one time)	File Cabinet (one time)	Calculator (one time)	Office Supplies (ongoing)	Voice/Data Wiring (one time)	Voice/Data (ongoing)	Annual Travel Expenses Related to Job Performance (ongoing)	TOTAL	Second Year and Ongoing
Electronic Gaming Device Spec	1	\$ 63,020.00	\$ 38,575.70	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 108,684.08	\$ 104,799.06
Gaming Financial Analyst	1	\$ 59,785.20	\$ 37,395.64	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 104,269.22	\$ 100,384.20
Admin Support Professional-Lic	1	\$ 50,416.10	\$ 33,977.79	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 91,482.27	\$ 87,597.25
TOTAL	3	\$ 173,221.30	\$ 109,949.13	\$ 4,938.06	\$ 1,234.08	\$ 1,803.00	\$ 2,157.00	\$ 1,797.00	\$ 60.00	\$ 1,116.00	\$ 900.00	\$ 1,260.00	\$ 6,000.00	\$ 304,435.57	\$ 292,780.51
Note: Salaries and expenses for the Gaming Division (GD) MSHP will be reimbursed by the casino.													Additional MGC expenses for boat:		
													Server,router,UPS	5,200.00	
													9 Laptops for GD	14,814.18	
													Total	\$ 324,449.75	

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and State Technical College of Missouri.**

Fiscal Note Summary

State governmental entities estimate one-time costs of \$763,000, ongoing costs of \$2.2 million annually, initial fee revenue of \$271,000, ongoing admission and other fee revenue of \$2.1 million annually, and annual gaming tax revenue of \$14.3 million. Local governments estimate unknown revenue.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

RECEIVED
OCT 11 2023
STATE AUDITORS OFFICE

ELECTIONS DIVISION
(573) 751-2301

October 11, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Greta Bax regarding a proposed constitutional amendment to Article III, version 3 (2024-164)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Greta Bax on October 11, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

2023 OCT 11 AM 10:33
[Signature]
[Stamp]

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures) _____
Street Address of Affiant _____

Printed Name of Affiant _____
City, State and Zip Code of Affiant _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary _____
Address of Notary _____

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by amending Section 39(e).

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article III of the Constitution is revised by amending Section 39(e) to read as follows:

Section 39(e). 1. The general assembly is authorized to permit upon the Mississippi and Missouri Rivers only, which shall include artificial spaces that contain water and that are within 1000 feet of the closest edge of the main channel of either of those rivers, lotteries, gift enterprises and games of chance to be conducted on excursion gambling boats and floating facilities. Any license issued before or after the adoption date of this amendment for any excursion gambling boat or floating facility located in any such artificial space shall be deemed to be authorized by the General Assembly and to be in compliance with this Section.

2. Notwithstanding any other provision of law to the contrary, lotteries, gift enterprises, and games of chance may be conducted on excursion gambling boats and floating facilities licensed by the Missouri Gaming Commission upon the portion of the Osage River from the Missouri River to the Bagnell Dam, which shall include artificial spaces that contain water and that are within 500 feet of the 100-year base flood elevation as established by the Federal Emergency Management Agency.

3. Notwithstanding any other provision of law to the contrary, in addition to such licenses as have been authorized prior to January 1, 2024, the Missouri Gaming Commission shall issue one additional excursion gambling boat license. Such license shall only be issued to an excursion gambling boat that will operate upon the portion of the Osage River from the Missouri River to the Bagnell Dam.

4. Notwithstanding any other provision of law to the contrary, all state revenues derived from the issuance of excursion gambling boat licenses issued after January 1, 2024 shall be appropriated solely to public pre-kindergarten education programs to serve students in the year prior to kindergarten eligibility and shall not be included within the definition of "total state revenues" in section 17 of article X of this constitution.

5. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

[NOTICE: You are advised that the proposed constitutional amendment may be construed to change, repeal, or modify by implication Article III, Sections 39, 39(9), and 39(e).]

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-164)**

Subject

Initiative petition from Greta Bax regarding a proposed constitutional amendment to Article III. (Received October 11, 2023)

Date

October 31, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **State Auditor's office**, and the **Missouri Gaming Commission**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-164 and determined there is no measureable impact to their agency. Impact will be based upon appropriations.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition is a no impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health (DMH)** indicated this petition would modify Article III, Section 39(e) of the Missouri Constitution regarding excursion gambling boats. Implementation of the initiative petition may result in increased demand for DMH services due to increased access to gambling opportunities but does not appear to mandate any individual to receive treatment which will remain voluntary.

The initiative petition does not appear to create an additional fiscal impact to DMH unless the number of consumers increases and requires additional services to be provided by DMH.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition proposing to amend Article III, version 3.

Officials from the **Department of Revenue** indicated after thorough review, the Department's response to this initiative petition:

IP24-164 attempts to expand the existing number of excursion gambling boats in the state of Missouri. It appears it wants the Missouri Gaming Commission (Commission) to add an additional excursion gambling boat on the Osage River.

Currently in Section 313.870 the Commission is restricted to issuing not more than 13 excursion gambling boat licenses. This proposal would add another license, to be issued to an excursion gambling boat on the Osage River.

This proposal states that the annual license fee of the Osage River excursion gambling boat is to be appropriated solely for public pre-kindergarten education programs to serve students. The Department of Revenue (Department) notes while the proposal appears to require the Osage River excursion gambling boat to pay for the license, it does not give the Commission the necessary authority to actually collect the license fee or to deposit the fee into any state fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears this license fees will not generate any revenue to the state, the Commission, or to any Fund.

The Department notes that once the license is issued, the Osage River excursion gambling boat would be subject to all the current collection requirements of the admission fees and taxes that the current excursion gambling boats collect. The Department would be required to add this boat to our gambling revenue collection database. That can be done with existing resources.

The Department defers to the Commission for an estimate of the revenue generated from an additional excursion gambling boat from admission fees and taxes.

Officials from the **Department of Public Safety - Office of the Director** indicated there is no impact for their department, Director's Office.

The Missouri State Highway Patrol will have an impact.

Response from the Missouri State Highway Patrol:

The Patrol is tasked with enforcing gaming regulations at Missouri's thirteen (13) casinos. This proposal would add one (1) casino and the Patrol would have expenses related to staffing the additional casino. Using the current staffing model for the other casinos around the state, the Patrol is requesting nine (9) additional FTE to staff the additional casino. The one time and on-going expenses would include salary, fringe, vehicles, gasoline, and related equipment and funding for these positions would come from the Gaming Fund (0286). These expenses and equipment costs are shown below differentiating the one time and on-going costs for the nine (9) FTE.

In addition to the expenses indicated for the nine (9) FTE that will be transferring from Highway funded positions, it is assumed there will be an unknown savings to the **Highway**

Fund (0644), as those nine tenured troopers would be replaced with Highway funded probationary troopers.

Salary:

Position Title: Sergeant (V07005)
Annual Salary per FTE: \$99,648
Total Cost for Salaries: \$896,832

Fringe:

Annual Cost per FTE: \$85,637
Total Fringe Amount: \$770,733

Expense & Equipment:

Initial Costs: \$731,411
Ongoing Costs: \$192,103

Total Cost for Salaries, Fringe, & Associated Equipment:

Initial Cost: \$2,398,976

Ongoing Costs: \$1,859,668

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-164 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for initiative petition 24-164.

Officials from the **Office of Administration** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-164 a proposed constitutional amendment to Article III, version 3 (2024-164), there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-164 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-164 proposing to amend Article III, Version 3.

Officials from **St. Louis County** indicated the initiative petition would have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Jennings School District** indicated his proposed legislation should have a small but positive impact on their school district by generating additional revenue for public pre-kindergarten programs. It is unclear how much revenue such a limited proposal shall generate if divided among all 500+ school districts in MO.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **University of Missouri** indicated the University of Missouri System does not expect cost to exceed \$100,000.

Official from **St. Louis Community College** indicated they have reviewed the petition initiative and do not see a financial impact to their college.

Officials from the **State Auditor's office** (SAO) indicated there would be a fiscal impact on the SAO. They believe this would create the need for a stand-alone performance audit consisting of 500 hours. 500 hours multiplied by \$90.00 per hour (current average audit cost per staff hour) equals a \$45,000 impact.

Officials from the **Missouri Gaming Commission** (MGC) indicated:

This proposal will affect the Missouri State Highway Patrol, Missouri Dept. of Revenue, Missouri Dept. of Mental Health, Missouri Dept. of Elementary and Secondary Education, Home Dock Cities/Counties.

This proposal may have an impact on local jurisdictions and businesses surrounding and in close proximity to the physical location of the proposed excursion gambling boat.

By allowing another casino to be licensed in Missouri, total state revenue will likely increase, in that one more casino will produce increased gaming tax and admission fees for the state and the home dock city in which it is located or increase gaming tax and admission fees for distribution to newly identified worthy causes.

Missouri Constitution, Article III, Section 39(e) (Amended by Initiative Petitions) – Permits an excursion gambling boat to be located on the portion of the Osage River between the Missouri River and the Bagnell Dam. It requires the Missouri Gaming Commission (the “Commission”) to issue one additional gambling boat license (the 14th license in the state) for an excursion gambling boat to be located on the portion of the Osage River between the Missouri River and the Bagnell Dam, to include artificial spaces that contain water and that are within 500 feet of the 100-year base flood elevation as established by the Federal Emergency Management Agency.

Fiscal Impact

The Commission is basing its estimates for anticipated gaming revenues, taxes, and fees of an additional licensed casino on Century Casino Cape Girardeau in Cape Girardeau, Missouri. The Commission believes Century Casino Cape Girardeau would be comparable in size and volume of traffic to a casino located on the Osage River, likely near Osage Beach, Missouri (Lake of the Ozarks).

Anticipated revenue streams from an additional casino include initial licensing and renewal fees for the Class A Licensee (parent company), the Class B Licensee (casino company), Key Persons and Level I licensees (management), and Level II occupational licensees working at the casino. These fees would be paid to the Commission and deposited for use as identified in each Initiative Petition – (24-162) STEM Career Awareness Fund, (24-163) increase in teacher salaries, (24-164) pre-kindergarten education funding, and (24-165) early childhood literacy funding. The Commission estimates collecting fees totaling \$271,000 in the first year, followed by ongoing fee collections of \$63,100 each year thereafter.

The Commission estimates gaming taxes generated from an additional casino, based on the current 21% tax on annual gross revenue, to be \$14,339,908 each year. If the language of the Initiative Petitions is interpreted that “all state revenues derived from the issuance of excursion gambling boat licenses issued after January 1, 2024” applies to the collection and appropriation of licensing fees only and *not* tax revenues, the revenues would be divided as follows: \$12,905,917 to the State of Missouri and \$1,433,991 to the Home Dock City. The Commission would also collect admission fees of \$2,085,164 each year (\$1,042,582 to the State of Missouri and \$1,042,582 to the Home Dock City) resulting in total additional revenue of \$16,425,072 annually. These numbers are based on the FY 2023 MGC Annual Report using Century Casino Cape Girardeau data.

If the language of the Initiative Petitions, however, is interpreted that “all state revenues derived from the issuance of excursion gambling boat licenses issued after January 1, 2024” applies to both licensing fees and tax revenues, the licensing fees as described above would be distributed to the funds identified in each petition as well as \$14,339,908 in tax revenue and \$2,085,164 in admission fees. These collected taxes and admissions fees would be appropriated for: (24-162) STEM Career Awareness Fund, (24-163) increase in teacher salaries, (24-164) pre-kindergarten education funding, and (24-165) early childhood literacy funding.

The above figures would change if the language of the petitions is interpreted such that any renewal or new license issued to an existing excursion gambling boat after January 1, 2024, would be subject to the appropriations identified in proposed Article III, Section 39(e).4.

These Initiative Petitions propose to amend Article III, Section 39(e), but do not address Article III, Section 39(d), which states that gaming revenues shall be appropriated to public institutions of elementary, secondary, and higher education. The proposed amendment to Article III, Section 39(e) creates a conflict with Article III, Section 39(d).

The Commission estimates needing three (3) FTE positions if another casino is opened, which include an Electronic Gaming Device Specialist I, a Gaming Financial Analyst, and an Administrative Support Professional – Licensing. The total first year cost for these three positions is estimated to be \$304,435.57, with a second year and ongoing cost of \$292,780.51. Additional Commission operational expenses for the additional casino are estimated to total \$20,014.18

Through the existing Memorandum of Understanding with the Missouri State Highway Patrol, additional troopers would need to be added to the Gaming Division to provide the support for the enforcement of criminal activity and gaming regulations at the new casino. The Commission estimates there would be eight (8) or nine (9) additional troopers assigned to this new excursion gambling boat. The Commission assumes the Missouri State Highway Patrol will submit a separate fiscal note for these positions and expenses on its own behalf.

Technical Notes:

Section 39(e).2 – This section amends existing Article III, Section 39(e) and permits the operation of excursion gambling boats “upon” the portion of the Osage River from the Missouri River to the Bagnell Dam, which shall include artificial spaces that contain water and that are within 500 feet of the 100-year base flood elevation as established by the Federal Emergency Management Agency. The use of “upon” is problematic in that all existing Missouri casinos are located in artificial spaces near, rather than upon, the Missouri and Mississippi Rivers. The Missouri Gaming Commission (the “Commission”) suggests using “located on” rather than “upon” in order to reduce confusion. Further, Article III, Section 39 as it exists presently permits excursion gambling boats within 1000 feet of the main channel of the Missouri or Mississippi Rivers. To reduce confusion, the Commission suggests that the present initiative petition specify the same distance (1000 feet). Historically, the analysis regarding flood plains has been performed utilizing data from the Army Corps of Engineers, and the Commission would suggest that continue. Further, the current language also permits non-floating facilities and the Commission would suggest continuity in the proposed Amendment.

Section 39(e).4 – This section states that “all state revenues derived from the issuance of excursion gambling boat licenses issued after January 1, 2024, shall only be appropriated” as follows:

Initiative Petition 24-162: to the STEM Career Awareness Fund

Initiative Petition 24-163: to fund increases in teacher salaries

Initiative Petition 24-164: to fund pre-kindergarten education

Initiative Petition 24-165: to fund early childhood literacy programs in schools

“All state revenues” raises the question as to whether this includes just licensing fees or licensing fees and tax revenues. Additionally, the Commission renews parent company (Class A) licenses and excursion gambling boat (Class B) licenses every four years. The Commission also reviews the suitability of new Class A or Class B applicants and issues

new Class A and/or Class B licenses in the event there is a change in ownership to one of the existing licenses. The language in this section, as applied, would potentially result in the entirety of state gaming revenues being appropriated to either STEM, teacher salaries, pre-kindergarten education, or early childhood literacy upon the renewal of any Class A or Class B license or the issuance of a new Class A or Class B license to an existing facility after January 1, 2024. As a result, the current worthy causes would no longer have any funds appropriated to them, as has been designated pursuant to Section 313.835, RSMo. Further, these Initiative Petitions propose to amend Article III, Section 39(e), but do not address Article III, Section 39(d), which states that gaming revenues shall be appropriated to public institutions of elementary, secondary, and higher education. The proposed amendment to Article III, Section 39(e) creates a conflict with Article III, Section 39(d).

They also provided the following information.

Osage River Gambling Boat - License Fees Only Interpretation

The below assumes that only the revenues received from licensing fees are appropriated to the applicable fund (see "Fund in Which Revenues are Deposited, by Petition Number). The Annual Revenues from the Admission Fees and Gaming Tax would still be distributed as specified in RSMo. 313.820 and 313.822.

Revenue Streams	Fee Amount	1st Year	2nd Year	3rd Year	4th Year	5th Year
Class A License Fee-Initial Fee ¹	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -
Class A License Fee-Annual Fee ¹	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Key Persons-Initial Fee ¹ -Estimate 10	\$ 15,000.00	\$ 150,000.00				
Key Persons- Annual Fee ¹ -Estimate 10	\$ 250.00		\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Class B License Fee-Initial Fee	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -
Class B License Fee-Annually	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Level 1 License Fee-Initial Fee- Estimate 6	\$ 1,000.00	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -
Level 1 License Fee-Annual Fee- Estimate 6	\$ 100.00	\$ -	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
Level 2 License Fee-Initial Fee- Estimate 200	\$ 75.00	\$ 15,000.00	\$ -	\$ -	\$ -	
Level 2 License Fee-Annual Fee- Estimate 200	\$ 50.00		\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
TOTAL FEES COLLECTED		\$ 271,000.00	\$ 63,100.00	\$ 63,100.00	\$ 63,100.00	\$ 63,100.00

¹ - Class A and Key Person fees would only be collected if a new Class A is approved.

Annual Revenue from Gambling Boat	Total	State Portion	Local Home Dock
Estimated Gaming Tax- 21% of AGR (a):	14,339,908	12,905,917	1,433,991
Estimated Admission Fees (b):	2,085,164	\$ 1,042,582	\$ 1,042,582
Total Received Annually	16,425,072	\$ 13,948,499	\$ 2,476,573
Estimates based off of FY 2023 MGC Annual Report-using Century Cape Girardeau Casino data			
(a) 90% of AGR goes to the State (Proceeds for Education), 10% goes to Local Home Dock			
(b) 50% of admission fees go to the State (MGC Fund 0286), 50% goes to Local Home Dock			

Fund in Which Revenues are Deposited, by Petition Number	
24-162	STEM Career Awareness Program
24-163	Annual Increases for Teacher Salaries
24-164	Public Pre-Kindergarten Education Programs
24-165	Early-Childhood Literacy Programs

Position Title	Number of FTE	Annual Salary	Annual Fringes (36.48% plus \$15,586)		IT Equipment (one time)	IT Equipment (ongoing)	Desk (one time)	Chair (one time)	File Cabinet (one time)	Calculator (one time)	Office Supplies (ongoing)	Voice/Data Wiring (one time)	Voice/Data (ongoing)	Annual Travel Expenses Related to Job		TOTAL	Second Year and Ongoing
														Performance (ongoing)			
Electronic Gaming Device Spec	1	\$ 63,020.00	\$ 38,575.70	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$		108,684.08	\$ 104,799.06
Gaming Financial Analyst	1	\$ 59,785.20	\$ 37,395.64	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$		104,269.22	\$ 100,384.20
Admin Support Professional-Lic	1	\$ 50,416.10	\$ 33,977.79	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$		91,482.27	\$ 87,597.25
TOTAL	3	\$ 173,221.30	\$ 109,949.13	\$ 4,938.06	\$ 1,234.08	\$ 1,803.00	\$ 2,157.00	\$ 1,797.00	\$ 60.00	\$ 1,116.00	\$ 900.00	\$ 1,260.00	\$ 6,000.00	\$		304,435.57	\$ 292,780.51
Note: Salaries and expenses for the Gaming Division (GD) MSHP will be reimbursed by the casino.														Additional MGC expenses for boat:			
														Server,router,UPS		5,200.00	
														9 Laptops for GD		14,814.18	
														Total	\$	324,449.75	

Osage River Gambling Boat - All Revenue Interpretation

The below assumes that the revenues received from licensing fees are appropriated to the applicable fund (see "Fund in Which Revenues are Deposited, by Petition Number). The Annual Revenues from the Admission Fees and Gaming Tax would also be distributed to the applicable fund.

Revenue Streams	Fee Amount	1st Year	2nd Year	3rd Year	4th Year	5th Year
Class A License Fee-Initial Fee ¹	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -
Class A License Fee-Annual Fee ¹	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Key Persons-Initial Fee ¹ -Estimate 10	\$ 15,000.00	\$ 150,000.00				
Key Persons- Annual Fee ¹ -Estimate 10	\$ 250.00		\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Class B License Fee-Initial Fee	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -
Class B License Fee-Annually	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Level 1 License Fee-Initial Fee- Estimate 6	\$ 1,000.00	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -
Level 1 License Fee-Annual Fee- Estimate 6	\$ 100.00	\$ -	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
Level 2 License Fee-Initial Fee- Estimate 200	\$ 75.00	\$ 15,000.00	\$ -	\$ -	\$ -	
Level 2 License Fee-Annual Fee- Estimate 200	\$ 50.00		\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
TOTAL FEES COLLECTED		\$ 271,000.00	\$ 63,100.00	\$ 63,100.00	\$ 63,100.00	\$ 63,100.00

¹ - Class A and Key Person fees would only be collected if a new Class A is approved.

Annual Revenue from Gambling Boat	Total
Estimated Gaming Tax- 21% of AGR	14,339,908
Estimated Admission Fees	2,085,164
Total Received Annually	<u>16,425,072</u>
Estimates based off of FY 2023 MGC Annual Report-using Century Cape Girardeau Casino data	

Fund in Which Revenues are Deposited, by Petition Number	
24-162	STEM Career Awareness Program
24-163	Annual Increases for Teacher Salaries
24-164	Public Pre-Kindergarten Education Programs
24-165	Early-Childhood Literacy Programs

Position Title	Number of FTE	Annual Salary	Annual Fringes (36.48% plus \$15,586)	IT Equipment (one time)	IT Equipment (ongoing)	Desk (one time)	Chair (one time)	File Cabinet (one time)	Calculator (one time)	Office Supplies (ongoing)	Voice/Data Wiring (one time)	Voice/Data (ongoing)	Annual Travel Expenses Related to Job Performance (ongoing)	TOTAL	Second Year and Ongoing
Electronic Gaming Device Spec	1	\$ 63,020.00	\$ 38,575.70	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 108,684.08	\$ 104,799.06
Gaming Financial Analyst	1	\$ 59,785.20	\$ 37,395.64	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 104,269.22	\$ 100,384.20
Admin Support Professional-Lic	1	\$ 50,416.10	\$ 33,977.79	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 91,482.27	\$ 87,597.25
TOTAL	3	\$ 173,221.30	\$ 109,949.13	\$ 4,938.06	\$ 1,234.08	\$ 1,803.00	\$ 2,157.00	\$ 1,797.00	\$ 60.00	\$ 1,116.00	\$ 900.00	\$ 1,260.00	\$ 6,000.00	\$ 304,435.57	\$ 292,780.51
Note: Salaries and expenses for the Gaming Division (GD) MSHP will be reimbursed by the casino.													Additional MGC expenses for boat:		
													Server,router,UPS	5,200.00	
													9 Laptops for GD	14,814.18	
													Total	\$ 324,449.75	

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and State Technical College of Missouri.**

Fiscal Note Summary

State governmental entities estimate one-time costs of \$763,000, ongoing costs of \$2.2 million annually, initial fee revenue of \$271,000, ongoing admission and other fee revenue of \$2.1 million annually, and annual gaming tax revenue of \$14.3 million. Local governments estimate unknown revenue.



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OCT 11 2023

STATE AUDITORS OFFICE

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

October 11, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Greta Bax regarding a proposed constitutional amendment to Article III, version 2 (2024-163)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Greta Bax on October 11, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

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SECRETARY OF STATE

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by amending Section 39(e).

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article III of the Constitution is revised by amending Section 39(e) to read as follows:

Section 39(e). 1. The general assembly is authorized to permit upon the Mississippi and Missouri Rivers only, which shall include artificial spaces that contain water and that are within 1000 feet of the closest edge of the main channel of either of those rivers, lotteries, gift enterprises and games of chance to be conducted on excursion gambling boats and floating facilities. Any license issued before or after the adoption date of this amendment for any excursion gambling boat or floating facility located in any such artificial space shall be deemed to be authorized by the General Assembly and to be in compliance with this Section.

2. Notwithstanding any other provision of law to the contrary, lotteries, gift enterprises, and games of chance may be conducted on excursion gambling boats and floating facilities licensed by the Missouri Gaming Commission upon the portion of the Osage River from the Missouri River to the Bagnell Dam, which shall include artificial spaces that contain water and that are within 500 feet of the 100-year base flood elevation as established by the Federal Emergency Management Agency.

3. Notwithstanding any other provision of law to the contrary, in addition to such licenses as have been authorized prior to January 1, 2024, the Missouri Gaming Commission shall issue one additional excursion gambling boat license. Such license shall only be issued to an excursion gambling boat that will operate upon the portion of the Osage River from the Missouri River to the Bagnell Dam.

4. Notwithstanding any other provision of law to the contrary, all state revenues derived from the issuance of excursion boat licenses issued after January 1, 2024 shall be appropriated solely for annual increases of teacher salaries and shall not be included within the definition of "total state revenues" in section 17 of article X of this constitution.

5. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

[NOTICE: You are advised that the proposed constitutional amendment may be construed to change, repeal, or modify by implication Article III, Sections 39, 39(9), and 39(e).]

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-163)**

Subject

Initiative petition from Greta Bax regarding a proposed constitutional amendment to Article III. (Received October 11, 2023)

Date

October 31, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **State Auditor's office**, and the **Missouri Gaming Commission**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-163 and determined there is no measureable impact to their agency. Potential impact will be based upon appropriation.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition is a no impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health (DMH)** indicated this petition would modify Article III, Section 39(e) of the Missouri Constitution regarding excursion gambling boats. Implementation of the initiative petition may result in increased demand for DMH services due to increased access to gambling opportunities but does not appear to mandate any individual to receive treatment which will remain voluntary.

The initiative petition does not appear to create an additional fiscal impact to DMH unless the number of consumers increases and requires additional services to be provided by DMH.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition proposing to amend Article III, version 2.

Officials from the **Department of Revenue** indicated after thorough review, the Department's response to this initiative petition:

IP24-163 attempts to expand the existing number of excursion gambling boats in the state of Missouri. It appears it wants the Missouri Gaming Commission (Commission) to add an additional excursion gambling boat on the Osage River.

Currently in Section 313.870 the Commission is restricted to issuing not more than 13 excursion gambling boat licenses. This proposal would add another license, to be issued to an excursion gambling boat on the Osage River.

This proposal states that the annual license fee of the Osage River excursion gambling boat is to be appropriated solely for annual increases of teacher salaries. The Department of Revenue (Department) notes while the proposal appears to require the Osage River excursion gambling boat to pay for the license, it does not give the Commission the necessary authority to actually collect the license fee or to deposit the fee into any state fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears this license fees will not generate any revenue to the state, the Commission, or to any Fund.

The Department notes that once the license is issued, the Osage River excursion gambling boat would be subject to all the current collection requirements of the admission fees and taxes that the current excursion gambling boats collect. The Department would be required to add this boat to our gambling revenue collection database. That can be done with existing resources.

The Department defers to the Commission for an estimate of the revenue generated from an additional excursion gambling boat from admission fees and taxes.

Officials from the **Department of Public Safety - Office of the Director** indicated there is no impact for their department, Director's Office.

The Missouri State Highway Patrol will have an impact.

Response from the Missouri State Highway Patrol:

The Patrol is tasked with enforcing gaming regulations at Missouri's thirteen (13) casinos. This proposal would add one (1) casino and the Patrol would have expenses related to staffing the additional casino. Using the current staffing model for the other casinos around the state, the Patrol is requesting nine (9) additional FTE to staff the additional casino. The one time and on-going expenses would include salary, fringe, vehicles, gasoline, and related equipment and funding for these positions would come from the Gaming Fund (0286). These expenses and equipment costs are shown below differentiating the one time and on-going costs for the nine (9) FTE.

In addition to the expenses indicated for the nine (9) FTE that will be transferring from Highway funded positions, it is assumed there will be an unknown savings to the Highway

Fund (0644), as those nine tenured troopers would be replaced with Highway funded probationary troopers.

Salary:

Position Title: Sergeant (V07005)
Annual Salary per FTE: \$99,648
Total Cost for Salaries: \$896,832

Fringe:

Annual Cost per FTE: \$85,637
Total Fringe Amount: \$770,733

Expense & Equipment:

Initial Costs: \$731,411
Ongoing Costs: \$192,103

Total Cost for Salaries, Fringe, & Associated Equipment:

Initial Cost: \$2,398,976

Ongoing Costs: \$1,859,668

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-163 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for initiative petition 24-163.

Officials from the **Office of Administration** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-163 a proposed constitutional amendment to Article III, version 2 (2024-163), there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-163 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-163 proposing to amend Article III, Version 2.

Officials from **St. Louis County** indicated the initiative petition would have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Jennings School District** indicated this proposed legislation may have a small but positive impact on their school district by generating additional revenue for teacher salaries. It is unclear how much revenue such a limited proposal shall generate if divided among all 500+ school districts in MO.

However, their district has not seen success with DESE allocating funds to support teacher pay increases, and it is hard to imagine how this will work logistically. Is it only going to serve rural districts where teacher salaries are lower than \$38,000? If so, this will have no benefit to St. Louis area districts who all start above \$38,000.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **University of Missouri** indicated the University of Missouri System does not expect cost to exceed \$100,000.

Official from **St. Louis Community College** indicated they have reviewed the petition initiative and do not see a financial impact to their college.

Officials from the **State Auditor's office** (SAO) indicated there would be a fiscal impact on the SAO. They believe this would create the need for a stand-alone performance audit consisting of 500 hours. 500 hours multiplied by \$90.00 per hour (current average audit cost per staff hour) equals a \$45,000 impact.

Officials from the **Missouri Gaming Commission** (MGC) indicated:

This proposal will affect the Missouri State Highway Patrol, Missouri Dept. of Revenue, Missouri Dept. of Mental Health, Missouri Dept. of Elementary and Secondary Education, Home Dock Cities/Counties.

This proposal may have an impact on local jurisdictions and businesses surrounding and in close proximity to the physical location of the proposed excursion gambling boat.

By allowing another casino to be licensed in Missouri, total state revenue will likely increase, in that one more casino will produce increased gaming tax and admission fees for the state and the home dock city in which it is located or increase gaming tax and admission fees for distribution to newly identified worthy causes.

Missouri Constitution, Article III, Section 39(e) (Amended by Initiative Petitions) – Permits an excursion gambling boat to be located on the portion of the Osage River between the Missouri River and the Bagnell Dam. It requires the Missouri Gaming

Commission (the “Commission”) to issue one additional gambling boat license (the 14th license in the state) for an excursion gambling boat to be located on the portion of the Osage River between the Missouri River and the Bagnell Dam, to include artificial spaces that contain water and that are within 500 feet of the 100-year base flood elevation as established by the Federal Emergency Management Agency.

Fiscal Impact

The Commission is basing its estimates for anticipated gaming revenues, taxes, and fees of an additional licensed casino on Century Casino Cape Girardeau in Cape Girardeau, Missouri. The Commission believes Century Casino Cape Girardeau would be comparable in size and volume of traffic to a casino located on the Osage River, likely near Osage Beach, Missouri (Lake of the Ozarks).

Anticipated revenue streams from an additional casino include initial licensing and renewal fees for the Class A Licensee (parent company), the Class B Licensee (casino company), Key Persons and Level I licensees (management), and Level II occupational licensees working at the casino. These fees would be paid to the Commission and deposited for use as identified in each Initiative Petition – (24-162) STEM Career Awareness Fund, (24-163) increase in teacher salaries, (24-164) pre-kindergarten education funding, and (24-165) early childhood literacy funding. The Commission estimates collecting fees totaling \$271,000 in the first year, followed by ongoing fee collections of \$63,100 each year thereafter.

The Commission estimates gaming taxes generated from an additional casino, based on the current 21% tax on annual gross revenue, to be \$14,339,908 each year. If the language of the Initiative Petitions is interpreted that “all state revenues derived from the issuance of excursion gambling boat licenses issued after January 1, 2024” applies to the collection and appropriation of licensing fees only and *not* tax revenues, the revenues would be divided as follows: \$12,905,917 to the State of Missouri and \$1,433,991 to the Home Dock City. The Commission would also collect admission fees of \$2,085,164 each year (\$1,042,582 to the State of Missouri and \$1,042,582 to the Home Dock City) resulting in total additional revenue of \$16,425,072 annually. These numbers are based on the FY 2023 MGC Annual Report using Century Casino Cape Girardeau data.

If the language of the Initiative Petitions, however, is interpreted that “all state revenues derived from the issuance of excursion gambling boat licenses issued after January 1, 2024” applies to both licensing fees and tax revenues, the licensing fees as described above would be distributed to the funds identified in each petition as well as \$14,339,908 in tax revenue and \$2,085,164 in admission fees. These collected taxes and admissions fees would be appropriated for: (24-162) STEM Career Awareness Fund, (24-163) increase in teacher salaries, (24-164) pre-kindergarten education funding, and (24-165) early childhood literacy funding.

The above figures would change if the language of the petitions is interpreted such that any renewal or new license issued to an existing excursion gambling boat after January 1, 2024, would be subject to the appropriations identified in proposed Article III, Section 39(e).4.

These Initiative Petitions propose to amend Article III, Section 39(e), but do not address Article III, Section 39(d), which states that gaming revenues shall be appropriated to public institutions of elementary, secondary, and higher education. The proposed amendment to Article III, Section 39(e) creates a conflict with Article III, Section 39(d).

The Commission estimates needing three (3) FTE positions if another casino is opened, which include an Electronic Gaming Device Specialist I, a Gaming Financial Analyst, and an Administrative Support Professional – Licensing. The total first year cost for these three positions is estimated to be \$304,435.57, with a second year and ongoing cost of \$292,780.51. Additional Commission operational expenses for the additional casino are estimated to total \$20,014.18

Through the existing Memorandum of Understanding with the Missouri State Highway Patrol, additional troopers would need to be added to the Gaming Division to provide the support for the enforcement of criminal activity and gaming regulations at the new casino. The Commission estimates there would be eight (8) or nine (9) additional troopers assigned to this new excursion gambling boat. The Commission assumes the Missouri State Highway Patrol will submit a separate fiscal note for these positions and expenses on its own behalf.

Technical Notes:

Section 39(e).2 – This section amends existing Article III, Section 39(e) and permits the operation of excursion gambling boats “upon” the portion of the Osage River from the Missouri River to the Bagnell Dam, which shall include artificial spaces that contain water and that are within 500 feet of the 100-year base flood elevation as established by the Federal Emergency Management Agency. The use of “upon” is problematic in that all existing Missouri casinos are located in artificial spaces near, rather than upon, the Missouri and Mississippi Rivers. The Missouri Gaming Commission (the “Commission”) suggests using “located on” rather than “upon” in order to reduce confusion. Further, Article III, Section 39 as it exists presently permits excursion gambling boats within 1000 feet of the main channel of the Missouri or Mississippi Rivers. To reduce confusion, the Commission suggests that the present initiative petition specify the same distance (1000 feet). Historically, the analysis regarding flood plains has been performed utilizing data from the Army Corps of Engineers, and the Commission would suggest that continue. Further, the current language also permits non-floating facilities and the Commission would suggest continuity in the proposed Amendment.

Section 39(e).4 – This section states that “all state revenues derived from the issuance of excursion gambling boat licenses issued after January 1, 2024, shall only be appropriated” as follows:

Initiative Petition 24-162: to the STEM Career Awareness Fund

Initiative Petition 24-163: to fund increases in teacher salaries

Initiative Petition 24-164: to fund pre-kindergarten education

Initiative Petition 24-165: to fund early childhood literacy programs in schools

“All state revenues” raises the question as to whether this includes just licensing fees or licensing fees and tax revenues. Additionally, the Commission renews parent company (Class A) licenses and excursion gambling boat (Class B) licenses every four years. The Commission also reviews the suitability of new Class A or Class B applicants and issues new Class A and/or Class B licenses in the event there is a change in ownership to one of the existing licenses. The language in this section, as applied, would potentially result in the entirety of state gaming revenues being appropriated to either STEM, teacher salaries, pre-kindergarten education, or early childhood literacy upon the renewal of any Class A or Class B license or the issuance of a new Class A or Class B license to an existing facility after January 1, 2024. As a result, the current worthy causes would no longer have any funds appropriated to them, as has been designated pursuant to Section 313.835, RSMo. Further, these Initiative Petitions propose to amend Article III, Section 39(e), but do not address Article III, Section 39(d), which states that gaming revenues shall be appropriated to public institutions of elementary, secondary, and higher education. The proposed amendment to Article III, Section 39(e) creates a conflict with Article III, Section 39(d).

They also provided the following information.

Osage River Gambling Boat - License Fees Only Interpretation

The below assumes that only the revenues received from licensing fees are appropriated to the applicable fund (see "Fund in Which Revenues are Deposited, by Petition Number). The Annual Revenues from the Admission Fees and Gaming Tax would still be distributed as specified in RSMo. 313.820 and 313.822.

Revenue Streams	Fee Amount	1st Year	2nd Year	3rd Year	4th Year	5th Year
Class A License Fee-Initial Fee ¹	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -
Class A License Fee-Annual Fee ¹	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Key Persons-Initial Fee ¹ -Estimate 10	\$ 15,000.00	\$ 150,000.00				
Key Persons- Annual Fee ¹ -Estimate 10	\$ 250.00		\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Class B License Fee-Initial Fee	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -
Class B License Fee-Annually	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Level 1 License Fee-Initial Fee- Estimate 6	\$ 1,000.00	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -
Level 1 License Fee-Annual Fee- Estimate 6	\$ 100.00	\$ -	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
Level 2 License Fee-Initial Fee- Estimate 200	\$ 75.00	\$ 15,000.00	\$ -	\$ -	\$ -	
Level 2 License Fee-Annual Fee- Estimate 200	\$ 50.00		\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
TOTAL FEES COLLECTED		\$ 271,000.00	\$ 63,100.00	\$ 63,100.00	\$ 63,100.00	\$ 63,100.00

¹ - Class A and Key Person fees would only be collected if a new Class A is approved.

Annual Revenue from Gambling Boat	Total	State Portion	Local Home Dock
Estimated Gaming Tax- 21% of AGR (a):	14,339,908	12,905,917	1,433,991
Estimated Admission Fees (b):	2,085,164	\$ 1,042,582	\$ 1,042,582
Total Received Annually	16,425,072	\$ 13,948,499	\$ 2,476,573
Estimates based off of FY 2023 MGC Annual Report-using Century Cape Girardeau Casino data			
(a) 90% of AGR goes to the State (Proceeds for Education), 10% goes to Local Home Dock			
(b) 50% of admission fees go to the State (MGC Fund 0286), 50% goes to Local Home Dock			

Fund in Which Revenues are Deposited, by Petition Number	
24-162	STEM Career Awareness Program
24-163	Annual Increases for Teacher Salaries
24-164	Public Pre-Kindergarten Education Programs
24-165	Early-Childhood Literacy Programs

Position Title	Number of FTE	Annual Salary	Annual Fringes (36.48% plus \$15,586)	IT Equipment (one time)	IT Equipment (ongoing)	Desk (one time)	Chair (one time)	File Cabinet (one time)	Calculator (one time)	Office Supplies (ongoing)	Voice/Data Wiring (one time)	Voice/Data (ongoing)	Annual Travel Expenses Related to Job Performance (ongoing)	TOTAL	Second Year and Ongoing
Electronic Gaming Device Spec	1	\$ 63,020.00	\$ 38,575.70	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 108,684.08	\$ 104,799.06
Gaming Financial Analyst	1	\$ 59,785.20	\$ 37,395.64	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 104,269.22	\$ 100,384.20
Admin Support Professional-Lic	1	\$ 50,416.10	\$ 33,977.79	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 91,482.27	\$ 87,597.25
TOTAL	3	\$ 173,221.30	\$ 109,949.13	\$ 4,938.06	\$ 1,234.08	\$ 1,803.00	\$ 2,157.00	\$ 1,797.00	\$ 60.00	\$ 1,116.00	\$ 900.00	\$ 1,260.00	\$ 6,000.00	\$ 304,435.57	\$ 292,780.51
Note: Salaries and expenses for the Gaming Division (GD) MSHP will be reimbursed by the casino.													Additional MGC expenses for boat:		
													Server,router,UPS	5,200.00	
													9 Laptops for GD	14,814.18	
													Total	\$ 324,449.75	

Osage River Gambling Boat - All Revenue Interpretation

The below assumes that the revenues received from licensing fees are appropriated to the applicable fund (see "Fund in Which Revenues are Deposited, by Petition Number). The Annual Revenues from the Admission Fees and Gaming Tax would also be distributed to the applicable fund.

Revenue Streams	Fee Amount	1st Year	2nd Year	3rd Year	4th Year	5th Year
Class A License Fee-Initial Fee ¹	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -
Class A License Fee-Annual Fee ¹	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Key Persons-Initial Fee ¹ -Estimate 10	\$ 15,000.00	\$ 150,000.00				
Key Persons- Annual Fee ¹ -Estimate 10	\$ 250.00		\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Class B License Fee-Initial Fee	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -
Class B License Fee-Annually	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Level 1 License Fee-Initial Fee- Estimate 6	\$ 1,000.00	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -
Level 1 License Fee-Annual Fee- Estimate 6	\$ 100.00	\$ -	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
Level 2 License Fee-Initial Fee- Estimate 200	\$ 75.00	\$ 15,000.00	\$ -	\$ -	\$ -	
Level 2 License Fee-Annual Fee- Estimate 200	\$ 50.00		\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
TOTAL FEES COLLECTED		\$ 271,000.00	\$ 63,100.00	\$ 63,100.00	\$ 63,100.00	\$ 63,100.00

¹ - Class A and Key Person fees would only be collected if a new Class A is approved.

Annual Revenue from Gambling Boat	Total
Estimated Gaming Tax- 21% of AGR	14,339,908
Estimated Admission Fees	2,085,164
Total Received Annually	<u>16,425,072</u>
Estimates based off of FY 2023 MGC Annual Report-using Century Cape Girardeau Casino data	

Fund in Which Revenues are Deposited, by Petition Number	
24-162	STEM Career Awareness Program
24-163	Annual Increases for Teacher Salaries
24-164	Public Pre-Kindergarten Education Programs
24-165	Early-Childhood Literacy Programs

Position Title	Number of FTE	Annual Salary	Annual Fringes (36.48% plus \$15,586)	IT Equipment (one time)	IT Equipment (ongoing)	Desk (one time)	Chair (one time)	File Cabinet (one time)	Calculator (one time)	Office Supplies (ongoing)	Voice/Data Wiring (one time)	Voice/Data (ongoing)	Annual Travel Expenses Related to Job Performance (ongoing)	TOTAL	Second Year and Ongoing
Electronic Gaming Device Spec	1	\$ 63,020.00	\$ 38,575.70	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 108,684.08	\$ 104,799.06
Gaming Financial Analyst	1	\$ 59,785.20	\$ 37,395.64	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 104,269.22	\$ 100,384.20
Admin Support Professional-Lic	1	\$ 50,416.10	\$ 33,977.79	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 91,482.27	\$ 87,597.25
TOTAL	3	\$ 173,221.30	\$ 109,949.13	\$ 4,938.06	\$ 1,234.08	\$ 1,803.00	\$ 2,157.00	\$ 1,797.00	\$ 60.00	\$ 1,116.00	\$ 900.00	\$ 1,260.00	\$ 6,000.00	\$ 304,435.57	\$ 292,780.51
Note: Salaries and expenses for the Gaming Division (GD) MSHP will be reimbursed by the casino.													Additional MGC expenses for boat:		
													Server,router,UPS	5,200.00	
													9 Laptops for GD	14,814.18	
													Total	\$ 324,449.75	

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and State Technical College of Missouri.**

Fiscal Note Summary

State governmental entities estimate one-time costs of \$763,000, ongoing costs of \$2.2 million annually, initial fee revenue of \$271,000, ongoing admission and other fee revenue of \$2.1 million annually, and annual gaming tax revenue of \$14.3 million. Local governments estimate unknown revenue.



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OCT 11 2023

STATE AUDITORS OFFICE

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

October 11, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Greta Bax regarding a proposed constitutional amendment to Article III, version 1 (2024-162)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Greta Bax on October 11, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

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2023 OCT 11 AM 10:31
J. Ashcroft

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by amending Section 39(e).

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article III of the Constitution is revised by amending Section 39(e) to read as follows:

Section 39(e). 1. The general assembly is authorized to permit upon the Mississippi and Missouri Rivers only, which shall include artificial spaces that contain water and that are within 1000 feet of the closest edge of the main channel of either of those rivers, lotteries, gift enterprises and games of chance to be conducted on excursion gambling boats and floating facilities. Any license issued before or after the adoption date of this amendment for any excursion gambling boat or floating facility located in any such artificial space shall be deemed to be authorized by the General Assembly and to be in compliance with this Section.

2. Notwithstanding any other provision of law to the contrary, lotteries, gift enterprises, and games of chance may be conducted on excursion gambling boats and floating facilities licensed by the Missouri Gaming Commission upon the portion of the Osage River from the Missouri River to the Bagnell Dam, which shall include artificial spaces that contain water and that are within 500 feet of the 100-year base flood elevation as established by the Federal Emergency Management Agency.

3. Notwithstanding any other provision of law to the contrary, in addition to such licenses as have been authorized prior to January 1, 2024, the Missouri Gaming Commission shall issue one additional excursion gambling boat license. Such license shall only be issued to an excursion gambling boat that will operate upon the portion of the Osage River from the Missouri River to the Bagnell Dam.

4. Notwithstanding any other provision of law to the contrary, all state revenues derived from the issuance of excursion gambling boat licenses issued after January 1, 2024 shall be appropriated to the STEM Career Awareness Program Fund, or its successor fund, and shall not be included within the definition of "total state revenues" in section 17 of article X of this constitution.

5. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

[NOTICE: You are advised that the proposed constitutional amendment may be construed to change, repeal, or modify by implication Article III, Sections 39, 39(9), and 39(e).]

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-162)**

Subject

Initiative petition from Greta Bax regarding a proposed constitutional amendment to Article III. (Received October 11, 2023)

Date

October 31, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **State Auditor's office**, and the **Missouri Gaming Commission**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-162 and determined that while there is potential for an increase in appropriation for the STEM Career Awareness Fund they are unable to estimate the impact.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition is a no impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health (DMH)** indicated this petition would modify Article III, Section 39(e) of the Missouri Constitution regarding excursion gambling boats. Implementation of the initiative petition may result in increased demand for DMH services due to increased access to gambling opportunities but does not appear to mandate any individual to receive treatment which will remain voluntary.

The initiative petition does not appear to create an additional fiscal impact to DMH unless the number of consumers increases and requires additional services to be provided by DMH.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition proposing to amend Article III, version 1.

Officials from the **Department of Revenue** indicated after thorough review, the Department's response to this initiative petition:

IP24-162 attempts to expand the existing number of excursion gambling boats in the state of Missouri. It appears it wants the Missouri Gaming Commission (Commission) to add an additional excursion gambling boat license on the Osage River.

Currently in Section 313.870 the Commission is restricted to issuing not more than 13 excursion gambling boat licenses. This proposal would add another license, to be issued to an excursion gambling boat on the Osage River.

This proposal states that the annual license fee of the Osage River excursion gambling boat is to be appropriated into the Stem Career Awareness Fund (Fund # 0997). The Department of Revenue (Department) notes while the proposal appears to require the Osage River excursion gambling boat to pay for the license, it does not give the Commission the necessary authority to actually collect the license fee or to deposit the fee into the fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears this license fees will not generate any revenue to the state, the Commission, or to any Fund.

The Department notes that once the license is issued, the Osage River excursion gambling boat would be subject to all the current collection requirements of the admission fees and taxes that the current excursion gambling boats collect. The Department would be required to add this boat to our gambling revenue collection database. That can be done with existing resources.

The Department defers to the Commission for an estimate of the revenue generated from an additional excursion gambling boat from admission fees and taxes.

Officials from the **Department of Public Safety - Office of the Director** indicated there is no impact for their department, Director's Office.

The Missouri State Highway Patrol will have an impact.

Response from the Missouri State Highway Patrol:

The Patrol is tasked with enforcing gaming regulations at Missouri's thirteen (13) casinos. This proposal would add one (1) casino and the Patrol would have expenses related to staffing the additional casino. Using the current staffing model for the other casinos around the state, the Patrol is requesting nine (9) additional FTE to staff the additional casino. The one time and on-going expenses would include salary, fringe, vehicles, gasoline, and related equipment and funding for these positions would come from the Gaming Fund (0286). These expenses and equipment costs are shown below differentiating the one time and on-going costs for the nine (9) FTE.

In addition to the expenses indicated for the nine (9) FTE that will be transferring from Highway funded positions, it is assumed there will be an unknown savings to the Highway

Fund (0644), as those nine tenured troopers would be replaced with Highway funded probationary troopers.

Salary:

Position Title: Sergeant (V07005)
Annual Salary per FTE: \$99,648
Total Cost for Salaries: \$896,832

Fringe:

Annual Cost per FTE: \$85,637
Total Fringe Amount: \$770,733

Expense & Equipment:

Initial Costs: \$731,411
Ongoing Costs: \$192,103

Total Cost for Salaries, Fringe, & Associated Equipment:

Initial Cost: \$2,398,976

Ongoing Costs: \$1,859,668

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-162 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for initiative petition 24-162.

Officials from the **Office of Administration** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-162 a proposed constitutional amendment to Article III, version 1 (2024-162), there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-162 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for initiative petition, 24-162 proposing to amend Article III, Version 1.

Officials from **St. Louis County** indicated the initiative petition would have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Jennings School District** indicated this proposed legislation should have a small but positive impact on their school district by generating additional revenue for STEM Career Awareness. It is unclear how much revenue such a limited proposal shall generate if divided among all 500+ school districts in MO.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **University of Missouri** indicated the University of Missouri System does not expect cost to exceed \$100,000.

Official from **St. Louis Community College** indicated they have reviewed the petition initiative and do not see a financial impact to their college.

Officials from the **State Auditor's office** (SAO) indicated there would be a fiscal impact on the SAO. They believe this would create the need for a stand-alone performance audit consisting of 500 hours. 500 hours multiplied by \$90.00 per hour (current average audit cost per staff hour) equals a \$45,000 impact.

Officials from the **Missouri Gaming Commission** (MGC) indicated:

This proposal will affect the Missouri State Highway Patrol, Missouri Dept. of Revenue, Missouri Dept. of Mental Health, Missouri Dept. of Elementary and Secondary Education, Home Dock Cities/Counties.

This proposal may have an impact on local jurisdictions and businesses surrounding and in close proximity to the physical location of the proposed excursion gambling boat.

By allowing another casino to be licensed in Missouri, total state revenue will likely increase, in that one more casino will produce increased gaming tax and admission fees for the state and the home dock city in which it is located or increase gaming tax and admission fees for distribution to newly identified worthy causes.

Missouri Constitution, Article III, Section 39(e) (Amended by Initiative Petitions) – Permits an excursion gambling boat to be located on the portion of the Osage River between the Missouri River and the Bagnell Dam. It requires the Missouri Gaming Commission (the “Commission”) to issue one additional gambling boat license (the 14th license in the state) for an excursion gambling boat to be located on the portion of the Osage River between the Missouri River and the Bagnell Dam, to include artificial spaces that contain water and that are within 500 feet of the 100-year base flood elevation as established by the Federal Emergency Management Agency.

Fiscal Impact

The Commission is basing its estimates for anticipated gaming revenues, taxes, and fees of an additional licensed casino on Century Casino Cape Girardeau in Cape Girardeau, Missouri. The Commission believes Century Casino Cape Girardeau would be comparable in size and volume of traffic to a casino located on the Osage River, likely near Osage Beach, Missouri (Lake of the Ozarks).

Anticipated revenue streams from an additional casino include initial licensing and renewal fees for the Class A Licensee (parent company), the Class B Licensee (casino company), Key Persons and Level I licensees (management), and Level II occupational licensees working at the casino. These fees would be paid to the Commission and deposited for use as identified in each Initiative Petition – (24-162) STEM Career Awareness Fund, (24-163) increase in teacher salaries, (24-164) pre-kindergarten education funding, and (24-165) early childhood literacy funding. The Commission estimates collecting fees totaling \$271,000 in the first year, followed by ongoing fee collections of \$63,100 each year thereafter.

The Commission estimates gaming taxes generated from an additional casino, based on the current 21% tax on annual gross revenue, to be \$14,339,908 each year. If the language of the Initiative Petitions is interpreted that “all state revenues derived from the issuance of excursion gambling boat licenses issued after January 1, 2024” applies to the collection and appropriation of licensing fees only and *not* tax revenues, the revenues would be divided as follows: \$12,905,917 to the State of Missouri and \$1,433,991 to the Home Dock City. The Commission would also collect admission fees of \$2,085,164 each year (\$1,042,582 to the State of Missouri and \$1,042,582 to the Home Dock City) resulting in total additional revenue of \$16,425,072 annually. These numbers are based on the FY 2023 MGC Annual Report using Century Casino Cape Girardeau data.

If the language of the Initiative Petitions, however, is interpreted that “all state revenues derived from the issuance of excursion gambling boat licenses issued after January 1, 2024” applies to both licensing fees and tax revenues, the licensing fees as described above would be distributed to the funds identified in each petition as well as \$14,339,908 in tax revenue and \$2,085,164 in admission fees. These collected taxes and admissions fees would be appropriated for: (24-162) STEM Career Awareness Fund, (24-163) increase in teacher salaries, (24-164) pre-kindergarten education funding, and (24-165) early childhood literacy funding.

The above figures would change if the language of the petitions is interpreted such that any renewal or new license issued to an existing excursion gambling boat after January 1, 2024, would be subject to the appropriations identified in proposed Article III, Section 39(e).4.

These Initiative Petitions propose to amend Article III, Section 39(e), but do not address Article III, Section 39(d), which states that gaming revenues shall be appropriated to public institutions of elementary, secondary, and higher education. The proposed amendment to Article III, Section 39(e) creates a conflict with Article III, Section 39(d).

The Commission estimates needing three (3) FTE positions if another casino is opened, which include an Electronic Gaming Device Specialist I, a Gaming Financial Analyst, and an Administrative Support Professional – Licensing. The total first year cost for these three positions is estimated to be \$304,435.57, with a second year and ongoing cost of \$292,780.51. Additional Commission operational expenses for the additional casino are estimated to total \$20,014.18

Through the existing Memorandum of Understanding with the Missouri State Highway Patrol, additional troopers would need to be added to the Gaming Division to provide the support for the enforcement of criminal activity and gaming regulations at the new casino. The Commission estimates there would be eight (8) or nine (9) additional troopers assigned to this new excursion gambling boat. The Commission assumes the Missouri State Highway Patrol will submit a separate fiscal note for these positions and expenses on its own behalf.

Technical Notes:

Section 39(e).2 – This section amends existing Article III, Section 39(e) and permits the operation of excursion gambling boats “upon” the portion of the Osage River from the Missouri River to the Bagnell Dam, which shall include artificial spaces that contain water and that are within 500 feet of the 100-year base flood elevation as established by the Federal Emergency Management Agency. The use of “upon” is problematic in that all existing Missouri casinos are located in artificial spaces near, rather than upon, the Missouri and Mississippi Rivers. The Missouri Gaming Commission (the “Commission”) suggests using “located on” rather than “upon” in order to reduce confusion. Further, Article III, Section 39 as it exists presently permits excursion gambling boats within 1000 feet of the main channel of the Missouri or Mississippi Rivers. To reduce confusion, the Commission suggests that the present initiative petition specify the same distance (1000 feet). Historically, the analysis regarding flood plains has been performed utilizing data from the Army Corps of Engineers, and the Commission would suggest that continue. Further, the current language also permits non-floating facilities and the Commission would suggest continuity in the proposed Amendment.

Section 39(e).4 – This section states that “all state revenues derived from the issuance of excursion gambling boat licenses issued after January 1, 2024, shall only be appropriated” as follows:

Initiative Petition 24-162: to the STEM Career Awareness Fund

Initiative Petition 24-163: to fund increases in teacher salaries

Initiative Petition 24-164: to fund pre-kindergarten education

Initiative Petition 24-165: to fund early childhood literacy programs in schools

“All state revenues” raises the question as to whether this includes just licensing fees or licensing fees and tax revenues. Additionally, the Commission renews parent company (Class A) licenses and excursion gambling boat (Class B) licenses every four years. The Commission also reviews the suitability of new Class A or Class B applicants and issues new Class A and/or Class B licenses in the event there is a change in ownership to one of

the existing licenses. The language in this section, as applied, would potentially result in the entirety of state gaming revenues being appropriated to either STEM, teacher salaries, pre-kindergarten education, or early childhood literacy upon the renewal of any Class A or Class B license or the issuance of a new Class A or Class B license to an existing facility after January 1, 2024. As a result, the current worthy causes would no longer have any funds appropriated to them, as has been designated pursuant to Section 313.835, RSMo. Further, these Initiative Petitions propose to amend Article III, Section 39(e), but do not address Article III, Section 39(d), which states that gaming revenues shall be appropriated to public institutions of elementary, secondary, and higher education. The proposed amendment to Article III, Section 39(e) creates a conflict with Article III, Section 39(d).

They also provided the following information.

Osage River Gambling Boat - License Fees Only Interpretation

The below assumes that only the revenues received from licensing fees are appropriated to the applicable fund (see "Fund in Which Revenues are Deposited, by Petition Number). The Annual Revenues from the Admission Fees and Gaming Tax would still be distributed as specified in RSMo. 313.820 and 313.822.

Revenue Streams	Fee Amount	1st Year	2nd Year	3rd Year	4th Year	5th Year
Class A License Fee-Initial Fee ¹	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -
Class A License Fee-Annual Fee ¹	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Key Persons-Initial Fee ¹ -Estimate 10	\$ 15,000.00	\$ 150,000.00				
Key Persons- Annual Fee ¹ -Estimate 10	\$ 250.00		\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Class B License Fee-Initial Fee	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -
Class B License Fee-Annually	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Level 1 License Fee-Initial Fee- Estimate 6	\$ 1,000.00	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -
Level 1 License Fee-Annual Fee- Estimate 6	\$ 100.00	\$ -	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
Level 2 License Fee-Initial Fee- Estimate 200	\$ 75.00	\$ 15,000.00	\$ -	\$ -	\$ -	
Level 2 License Fee-Annual Fee- Estimate 200	\$ 50.00		\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
TOTAL FEES COLLECTED		\$ 271,000.00	\$ 63,100.00	\$ 63,100.00	\$ 63,100.00	\$ 63,100.00

¹ - Class A and Key Person fees would only be collected if a new Class A is approved.

Annual Revenue from Gambling Boat	Total	State Portion	Local Home Dock
Estimated Gaming Tax- 21% of AGR (a):	14,339,908	12,905,917	1,433,991
Estimated Admission Fees (b):	2,085,164	\$ 1,042,582	\$ 1,042,582
Total Received Annually	16,425,072	\$ 13,948,499	\$ 2,476,573
Estimates based off of FY 2023 MGC Annual Report-using Century Cape Girardeau Casino data			
(a) 90% of AGR goes to the State (Proceeds for Education), 10% goes to Local Home Dock			
(b) 50% of admission fees go to the State (MGC Fund 0286), 50% goes to Local Home Dock			

Fund in Which Revenues are Deposited, by Petition Number	
24-162	STEM Career Awareness Program
24-163	Annual Increases for Teacher Salaries
24-164	Public Pre-Kindergarten Education Programs
24-165	Early-Childhood Literacy Programs

Position Title	Number of FTE	Annual Salary	Annual Fringes (36.48% plus \$15,586)	IT Equipment (one time)	IT Equipment (ongoing)	Desk (one time)	Chair (one time)	File Cabinet (one time)	Calculator (one time)	Office Supplies (ongoing)	Voice/Data Wiring (one time)	Voice/Data (ongoing)	Annual Travel Expenses Related to Job Performance (ongoing)	TOTAL	Second Year and Ongoing
Electronic Gaming Device Spec	1	\$ 63,020.00	\$ 38,575.70	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 108,684.08	\$ 104,799.06
Gaming Financial Analyst	1	\$ 59,785.20	\$ 37,395.64	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 104,269.22	\$ 100,384.20
Admin Support Professional-Lic	1	\$ 50,416.10	\$ 33,977.79	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 91,482.27	\$ 87,597.25
TOTAL	3	\$ 173,221.30	\$ 109,949.13	\$ 4,938.06	\$ 1,234.08	\$ 1,803.00	\$ 2,157.00	\$ 1,797.00	\$ 60.00	\$ 1,116.00	\$ 900.00	\$ 1,260.00	\$ 6,000.00	\$ 304,435.57	\$ 292,780.51
Note: Salaries and expenses for the Gaming Division (GD) MSHP will be reimbursed by the casino.													Additional MGC expenses for boat:		
													Server,router,UPS	5,200.00	
													9 Laptops for GD	14,814.18	
													Total	\$ 324,449.75	

Osage River Gambling Boat - All Revenue Interpretation

The below assumes that the revenues received from licensing fees are appropriated to the applicable fund (see "Fund in Which Revenues are Deposited, by Petition Number). The Annual Revenues from the Admission Fees and Gaming Tax would also be distributed to the applicable fund.

Revenue Streams	Fee Amount	1st Year	2nd Year	3rd Year	4th Year	5th Year
Class A License Fee-Initial Fee ¹	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -
Class A License Fee-Annual Fee ¹	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Key Persons-Initial Fee ¹ -Estimate 10	\$ 15,000.00	\$ 150,000.00				
Key Persons- Annual Fee ¹ -Estimate 10	\$ 250.00		\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Class B License Fee-Initial Fee	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -
Class B License Fee-Annually	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Level 1 License Fee-Initial Fee- Estimate 6	\$ 1,000.00	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -
Level 1 License Fee-Annual Fee- Estimate 6	\$ 100.00	\$ -	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
Level 2 License Fee-Initial Fee- Estimate 200	\$ 75.00	\$ 15,000.00	\$ -	\$ -	\$ -	
Level 2 License Fee-Annual Fee- Estimate 200	\$ 50.00		\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
TOTAL FEES COLLECTED		\$ 271,000.00	\$ 63,100.00	\$ 63,100.00	\$ 63,100.00	\$ 63,100.00

¹ - Class A and Key Person fees would only be collected if a new Class A is approved.

Annual Revenue from Gambling Boat	Total
Estimated Gaming Tax- 21% of AGR	14,339,908
Estimated Admission Fees	2,085,164
Total Received Annually	<u>16,425,072</u>
Estimates based off of FY 2023 MGC Annual Report-using Century Cape Girardeau Casino data	

Fund in Which Revenues are Deposited, by Petition Number	
24-162	STEM Career Awareness Program
24-163	Annual Increases for Teacher Salaries
24-164	Public Pre-Kindergarten Education Programs
24-165	Early-Childhood Literacy Programs

Position Title	Number of FTE	Annual Salary	Annual Fringes (36.48% plus \$15,586)	IT Equipment (one time)	IT Equipment (ongoing)	Desk (one time)	Chair (one time)	File Cabinet (one time)	Calculator (one time)	Office Supplies (ongoing)	Voice/Data Wiring (one time)	Voice/Data (ongoing)	Annual Travel Expenses Related to Job Performance (ongoing)	TOTAL	Second Year and Ongoing
Electronic Gaming Device Spec	1	\$ 63,020.00	\$ 38,575.70	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 108,684.08	\$ 104,799.06
Gaming Financial Analyst	1	\$ 59,785.20	\$ 37,395.64	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 104,269.22	\$ 100,384.20
Admin Support Professional-Lic	1	\$ 50,416.10	\$ 33,977.79	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 2,000.00	\$ 91,482.27	\$ 87,597.25
TOTAL	3	\$ 173,221.30	\$ 109,949.13	\$ 4,938.06	\$ 1,234.08	\$ 1,803.00	\$ 2,157.00	\$ 1,797.00	\$ 60.00	\$ 1,116.00	\$ 900.00	\$ 1,260.00	\$ 6,000.00	\$ 304,435.57	\$ 292,780.51
Note: Salaries and expenses for the Gaming Division (GD) MSHP will be reimbursed by the casino.													Additional MGC expenses for boat:		
													Server,router,UPS	5,200.00	
													9 Laptops for GD	14,814.18	
													Total	\$ 324,449.75	

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and State Technical College of Missouri.**

Fiscal Note Summary

State governmental entities estimate one-time costs of \$763,000, ongoing costs of \$2.2 million annually, initial fee revenue of \$271,000, ongoing admission and other fee revenue of \$2.1 million annually, and annual gaming tax revenue of \$14.3 million. Local governments estimate unknown revenue.



RECEIVED

OCT 04 2023

STATE AUDITORS OFFICE

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

October 4, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article III, version 8 (2024-161)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on October 4, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission pursuant to Article III, Section 39(g) may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. A licensee shall not offer sports wagering to individuals who are under twenty-one years of age.

4. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

c. The Commission shall issue not more than two mobile licenses to operate sports wagering in this state directly to qualified applicants that are sports wagering operators. Each sports wagering operator shall only be eligible for one mobile license per distinct sports wagering operator brand. For purposes of Article III, Section 39(g) brand shall refer to the name, trade name, licensed trademark, or assumed business name of the sports wagering operator. If there are more than two qualified applicants for a mobile license to be issued by the Commission directly to a sports wagering operator under this section, the Commission shall select the applicant for licensure based on the applicant's ability to satisfy the following criteria:

(1) Expertise in the business of online sports wagering;

(2) Integrity, sustainability, and safety of the applicant's online sports wagering platform;

(3) Past relevant experience of the applicant;

(4) Advertising and promotional plans to increase and sustain revenue;

(5) Ability to generate, maximize, and sustain revenues for the state;

(6) Demonstrated commitment to and plans for the promotion of responsible gaming; and

(7) Capacity to increase the number of bettors on the applicant's online sports wagering platform.

5. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control.

6. Retail and mobile license applicants shall be required to pay a license fee as follows:

a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.

b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.

7. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:

a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and

b. to the extent all reasonable expenses incurred by the Commission have been reimbursed, the remaining fees shall be deposited in the Compulsive Gaming Prevention Fund.

8. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce commercially reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall examine the rules implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework, including, but not limited to:

a. Standards governing the security and integrity of sports wagering, including requiring the use of official league data from each applicable sports governing body headquartered in the United States solely for the purposes of determining the outcome of tier two sports wagers on a professional athlete or sporting event, but only if made available to licensees on commercially reasonable terms. Sports wagering operators may use any data source for determining the results of any and all tier one sports wagers on any and all sporting events, and the results of any and all tier two sports wagers on sporting events of an organization that is not headquartered in the United States;

b. Standards for the use and distribution of monies from the Compulsive Gaming Prevention Fund shall include, but not be limited to research, detection, and prevention of compulsive gaming, the implementation of treatment and recovery programs, or services related to compulsive gaming in this state;

c. Requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;

d. Requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;

e. Establishing fines, placing licensees on probation, and revoking licenses for violations of this section. The Commission may impose fines upon any person holding, or required to hold, a license or approval under this section or the rules subsequently adopted. Fines shall not exceed

\$50,000 per violation or \$100,000 resulting from violation of the same occurrence of events. The Commission shall promulgate rules relating to procedures for disciplinary hearings, including that any such decision may be appealed to circuit court;

f. Prohibiting all sports wagering activity, including sports wagering promotional and advertising activity, within a sports district, unless approved by the professional sports team that plays its home games within the district, except such rules shall not prohibit any licensee from offering sports wagering through an online sports wagering platform to persons physically located within a sports district; and

g. Establishing a start date for all sports wagering that is not later than December 1, 2025. No sports wagering, either retail or mobile, shall be offered in the state before such start date established by the Commission. No category of license shall be given an earlier launch date over any other category of license.

9. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports wagering conducted by each licensee and each sports wagering operator acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in this state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(1) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(2) the greater of 10% of such annual tax revenues or \$5,000,000 to the Compulsive Gaming Fund.

c. Such revenues shall not be included within the definition of “total state revenues” in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

10. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.

There is hereby created in the state treasury the “Compulsive Gaming Prevention Fund”, which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall be utilized by the Commission for the purposes of:

a. providing counseling and other support services for compulsive and problem gamers;

b. developing and implementing problem gaming treatment and prevention programs; and

c. providing grants to supporting organizations that provide assistance to compulsive gamers.

11. As used in this section the following terms shall mean:

a. “Adjusted gross revenue,” the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

(1) All cash and cash equivalents paid out as winnings to sports wagering customers;

(2) The actual costs paid by a licensee for anything of value provided to and redeemed by customers, including merchandise or services distributed to sports wagering customers to incentivize sports wagering;

(3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee's customers, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering customers.

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the licensee shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. "Commission," means the Missouri Gaming Commission;

c. "Excursion gambling boat," means an excursion gambling boat or floating facility as described in Article III, Section 39(e);

d. "License," means any retail license or mobile license.

e. "Licensee," means the holder of any retail or mobile license.

f. "Mobile license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. "Online sports wagering platform," means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate mobile sports wagering.

h. "Professional sports team," means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women's National Basketball Association, or the National Women's Soccer League.

i. "Retail license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. "Sports district," means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. "Sports wagering," means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or any other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events.

Sports wagering shall not include:

(1) a fantasy sports contest comprising multiple participants competing against one another in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. A fantasy sports contest operator shall not qualify as a "participant" for purposes of this section;

(2) wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant; and

(3) wagering on youth or high school events.

l. "Sports wagering operator," means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

m. "Tier one sports wager," means a sports wager that is determined solely by the final score or final outcome of the sporting event and is placed before the sporting event has begun.

n. "Tier two sports wager," means a sports wager that is not a tier one sports wager.

12. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

13. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-161)**

Subject

Initiative petition from Alixandra Cossette regarding a proposed constitutional amendment to Article III. (Received October 4, 2023)

Date

October 24, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **State Auditor's office**, and the **Missouri Gaming Commission**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-161 and determined there is no measurable impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated they defer to the fiscal determination of the gaming commission.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health (DMH)** indicated this petition would modify Article III, Section 39(g) of the Missouri Constitution legalizing sports wagering in Missouri. Implementation of the initiative petition may result in increased demand for DMH services due to increased access to gambling opportunities but does not appear to mandate any individual to receive treatment which will remain voluntary.

The initiative petition does not appear to create an additional fiscal impact to DMH unless the number of consumers increases and requires additional services to be provided by DMH.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-161 proposing to amend Article III.

Officials from the **Department of Revenue** indicated after thorough review, the Department's response to this initiative petition:

IP 24-161 attempts to create a sports wagering program in the state of Missouri. It appears it wants the Missouri Gaming Commission (Commission) to regulate the sports betting.

Sections 39(g)2 – 39(g)5. requires that a retail license be offered to certain organizations to allow for sports betting. Only licensed organizations will be allowed to offer sports betting. It appears it would allow each of the current 13 excursion gambling boats and the 6 current professional sports teams in Missouri to apply for a sports betting retail license. For purposes of the fiscal note they will assume all these groups apply for the sports betting retail license. Section 39(g)6 allows the Commission to set the fee for the retail license up to \$250,000. For purposes of the fiscal note only, they will assume that the Commission sets the fee at the full amount allowed and therefore the retail licenses could potentially generate \$4,750,000 $[(13 \text{ boats} * \$250,000) + (6 \text{ teams} * \$250,000)]$ in the first year and the same in the fifth year due to renewal fees.

The Department of Revenue (Department) notes while the proposal appears to allow the Commission to set the retail license fee amount and to issue the licenses, it does not give the Commission the necessary authority to actually collect the retail license fee or to deposit the fees into any state fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears these retail license fees will not generate any revenue to the state, the Commission, or to the Compulsive Gaming Prevention Fund.

Section 39(g)4.(c) allows the Commission to issue not more than 2 mobile license to certain organizations in the state. It allows the Commission to set the mobile license fee at up to \$500,000. The Department is unaware of the number of organizations that would apply for this mobile license and would defer to the Commission for an estimate of that number. However, the Department notes that while the proposal appears to allow the Commission to set the mobile license fee amount and to issue the licenses, it does not give the Commission the necessary authority to actually collect the mobile license fee or to deposit the fees into any state fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears these mobile license fees will not generate any revenue to the state, the Commission, or to the Compulsive Gaming Prevention Fund.

Section 39(g)7 says that all fees prescribed by the Commission and collected by the state shall be appropriated as identified in the proposal. It should be noted that the Commission is not expressly authorized under this proposal to collect any of the fees described in this proposal nor is any other agency expressly authorized to collect the fees under these sections. This proposal requires the assessment of fees but does not require the fees remittance. Therefore, these sections will not generate any revenue to the state, the Commission or to the Compulsive Gaming Prevention Fund.

Section 39(g)8 provides the Commission rule making authority, limited to certain delineated items. Collection of fees and/or the taxes outlined in the proposal is not one of

them. They are allowed to create rules on the use of the funds in the Compulsive Gaming Prevention Fund but not for its collection. Since no money is to be remitted by the sports betting retail or mobile licensees, it appears this authority may not be needed.

Section 39(g)9 appears to impose a 10% wagering tax on the adjusted gross revenue of the licensee. The Department defers to the Commission for an estimate of the tax that would be collected from the 10% sports betting tax.

This section requires collection of the 10% sports betting tax but does not require remittance of the tax to the Department, Commission or any other state agency. Without the identification of an agency to collect the tax, no tax can be collected. Therefore, it appears this section will not generate any revenue to the state, the Commission or to the Compulsive Gaming Prevention Fund.

Should the Department be asked to collect the taxes generated under this proposal, it was not provided rulemaking authority in which to do it. In addition, the Department expects to have an administrative fiscal impact. Excursion gambling boats currently remit their gambling taxes they collect nightly. The Department would want to create a system similar to the existing gambling tax system. The Department estimates such a system would cost \$100,415 (\$95 per hour * 1,057 hours work). The Department would also need 1 Associate Customer Service Representative with an annual salary of \$36,628 to process payments and reports.

Section 39(g)10 creates the Compulsive Gaming Prevention Fund. This fund appears to duplicate the already existing Compulsive Gamblers Fund (0249) created in Section 313.842 RSMo.

The Department notes that the Sports districts definition may include more than intended. Section 11(j) explains that "sports district" includes any Missouri stadium with a capacity over 11,500 that operates as home for one or more "professional sports team". It also extends to the surrounding area within 400 yards of such premises. Section 11(h) which defines "professional sports team" includes both Major League Soccer (MLS) and National Women's Soccer League (NWSL). The Department notes that CITYPARK, which is home to the MLS team the St. Louis City SC is in downtown St. Louis. The 400 yard extension will potentially cover multiple streets with private retail and residential locations. Additionally, the planned KC Current Stadium, home to the NWSL team the Kansas City Current will also be located in close proximity to private locations. Built within the Berkley Riverfront Park, the stadium will also be next to a public park.

Summary:

Due to the wording in this IP, the Department of Revenue assumes this IP will not generate any revenue to the state.

Officials from the **Department of Public Safety - Office of the Director** indicated:

The Missouri State Highway Patrol anticipates the need for two (2) additional full-time employees (FTE) to conduct background investigations and the subsequent renewals for sports wagering vendors, along with four (4) additional FTE for enforcement activities. Expenses related to the six (6) FTE would be paid from the Gaming Fund (0286). One-time and ongoing expenses, shown below, would include salary, fringe, vehicles, gasoline, and related equipment. The Patrol's response below is applicable for each of the initiative petitions.

Salary:

Position Title: Sergeant (V07005)
Annual Salary: \$99,648
Total Cost for Salaries: \$597,888

Fringe:

Annual Cost per Position: \$85,637
Total Fringe Amount: \$513,822

Expense & Equipment:

Initial Costs: \$501,330
Ongoing Costs: \$130,956

Total Cost for Salaries, Fringe, & Associated Equipment:

Initial Cost: \$1,613,040
Ongoing Costs: \$1,242,666

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-161 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for initiative petition 24-161.

Officials from the **Office of Administration** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-161 a proposed constitutional amendment to Article III, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-161 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-161 proposing to amend Article III.

Officials from **St. Louis County** indicated the initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated this will have a fiscal impact to their college. Unknown impact at this time due to revenues and expenses being unknown.

Officials from **University of Missouri** indicated the University of Missouri System does not expect cost to exceed \$100,000.

Official from **St. Louis Community College** indicated they have reviewed the petition initiative and cannot determine the effect on the college since no estimate of revenues has been made. Their response in no way assesses the merits of the petition on its face.

Officials from the **State Auditor's office** (SAO) indicated there would be a fiscal impact on the SAO. They believe this would create the need for a stand-alone performance audit consisting of 500 hours. 500 hours multiplied by \$90.00 per hour (current average audit cost per staff hour) equals a \$45,000 impact.

Officials from the **Missouri Gaming Commission** (MGC) indicated:

This proposal will affect the Missouri State Highway Patrol, Missouri Dept. of Revenue, Missouri Dept. of Mental Health, Home Dock Cities/Counties, "sports districts" located in St. Louis and Kansas City, as that term is defined in the proposal.

It may have an impact on local jurisdictions and businesses surrounding and in close proximity to the "sports districts" located in St. Louis and Kansas City areas, as that term is defined in the proposal.

The MGC anticipates licensees to pay license fees and renewal fees to the MGC in order to regulate and manage sports wagering in Missouri. It also imposes certain taxes be paid by licensees based on their adjusted gross revenue.

If this initiative petition passes, the Missouri Gaming Commission (MGC) estimates needing fifteen new FTE positions, which would result in an initial cost to the MGC of \$1,786,582.86 (including salary, fringe, supplies, equipment, and travel/lodging related to job performance of those additional employees), in addition to approximately \$2,182,431.33, which represents 7.7% of the MGC existing budget each year (to cover the costs of MGC and MSHP Gaming Division staff plus expenses needed to license and regulate sports wagering) for a total initial cost of \$3,969,014.17. Additional costs included

in this estimate may also encompass those associated with the development and implementation of responsible gambling programs. The total annual ongoing personnel cost, after the first year, is estimated to be \$3,910,738.87.

The MGC and the Missouri State Highway Patrol (MSHP) currently have a Memorandum of Understanding (MOU) in place which states that the MSHP will provide background and criminal and regulatory investigation and enforcement support to the MGC to assist it in carrying out its duties, which results in these additional costs.

The MGC estimates a total of 19 applicants for retail sports wagering licenses, to include the 13 current excursion gambling boats, plus 6 “sports districts” located in St. Louis and Kansas City areas, as that term is defined in the proposal. Initiative 24-161, Article III, Section 39(g).4 allows for the excursion gambling boat owners and the professional teams to apply for mobile licenses, in addition to two mobile licenses to untethered sports wagering operators, for a total of 14 mobile licenses.

Based on the number of sports wagering licenses, the MGC estimates collection of fees approximately \$11.75 million the first year and every fifth year of operation. Pursuant to Section 39(g).7 the fees would be utilized for reimbursement of expenses incurred by the MGC to regulate sports wagering. Any remaining fees will be deposited into the Compulsive Gambling Prevention Fund. Pursuant to Section 39(g).11 a wagering tax of 10% is imposed based on adjusted gross revenue. Annual revenues will be appropriated to elementary, secondary and higher education only after the annual tax revenues are used to reimburse expenses incurred by MGC and to fund the Compulsive Gambling Prevention Fund at the greater of 10% of annual tax revenues or \$5,000,000 to the Compulsive Gambling Fund.

In calculating tax revenue estimates, the Missouri Gaming Commission used the sports wagering data from a comparable state, Indiana, due to it having similar population, number of casinos, geographical proximity and other demographics as Missouri. Indiana’s total adjusted receipts from sports wagering, which includes both retail (in-person) and online, was \$84,969,839 for 2020, \$240,503,973 for 2021, and \$328,639,984 for 2022. Assuming that the total adjusted gross revenue for sports wagering in Missouri will be comparable to that of Indiana, the Gaming Commission estimates that total adjusted gross revenue for sports wagering in Missouri will be \$63,514,955 for the first year, \$179,776,720 for the second year, \$245,658,388 for the third year, and \$266,539,351 for the fourth year (fourth year estimate is based on 8.5% growth from the previous year per a study completed by Eilers & Krejcik). In determining the aforementioned estimates, a .25% deduction for excise tax and a 25% deduction for promotional wagering were made to Missouri’s total adjusted gross revenue from sports wagering due to the initiative’s definition of adjusted gross revenue including such deductions for sports wagering, whereas Indiana’s definition does not. In addition, the term of adjusted gross revenue includes deducting voided or cancelled wagers, uncollectible receivables, and actual costs for anything of value provided to the patron, but such deduction was not made in determining the aforementioned tax revenue estimates, because Indiana’s adjusted gross receipts already include a 2% deduction for such, which the Missouri Gaming Commission estimates will be a similar amount in Missouri. Thus, using the total adjusted gross revenue

for sports wagering in Missouri estimates, the Missouri Gaming Commission estimates that the revenue from the Gaming Tax (10% of Adjusted Gross Receipts) on sports wagering will be \$6,351,495.47 for the first year, \$17,977,671.98 for the second year, \$24,565,838.80 for the third year, \$26,653,935.10 for the fourth year, and \$28,919,519.62 for the fifth year. These estimates, however, are uncertain based on the inclusion of a deduction for “any federal tax” with no corresponding definition or explanation as to what that would include.

Based on the licensing and renewal fees for sports wagering applicants and the taxes on the adjusted gross revenue the total amount of fees and taxes collected may be sufficient to cover the Missouri Gaming Commission’s costs to license and regulate sports wagering, however, that is dependent on the total amount of deductions applied to the adjusted gross revenue.

Technical Notes:

Section 4(c) – It is the understanding of the Missouri Gaming Commission (the “Commission”) that this section permits a certain number of mobile licenses that would be untethered from any casino or sports team location or district. Such allowance would potentially be in conflict with Article III, Section 39(e) of the Missouri Constitution, which permits gambling upon the Missouri or Mississippi Rivers only (or in artificial spaces that contain water and are within 1000 feet of the closest edge of the main channel).

Section 6(a) and 6(b) – These sections specify the fees for both (a) retail and (b) mobile licenses. Retail license applicants shall be required to pay a license fee of \$250,000 with a license renewal fee of \$250,000 every five (5) years. Mobile license applicants shall be required to pay a license fee of \$500,000 with a license renewal fee of \$500,000 every five (5) years. To the extent that other language in the petition proscribes allocation of the fees, there is concern that the licensing fees will not cover the expenses of the Missouri Gaming Commission (the “Commission”) during years in which licensing fees or renewals are not collected (i.e., years two, three, and four). These sections are also not clear as to where the license fees and renewal fees are to be deposited. The Commission suggests explicitly requiring fees to be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 7 – This section describes appropriation for the fees collected by the Commission. Section 7 requires that the fees first be used to reimburse the Commission for their reasonable expenses incurred to regulate sports wagering with the remaining fees being deposited into the Compulsive Gambling Prevention Fund. This section raises the question of where the fee monies are being deposited in the first instance if the language requires reimbursement to the Commission. Currently, fees for licensees are deposited with the Missouri Gaming Commission Fund and appropriated accordingly after the Commission’s reasonable expenses have been satisfied. The process by which the Commission is reimbursed is not clear in the current petition, nor is it clear in general how the funds will be dispersed. The Commission suggests explicitly requiring fees to be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 8(e) – This section proscribes the maximum fine that the Commission could impose for violations of the laws and rules promulgated for sports wagering in the State. Historically, the Commission has had broad discretion to discipline operators for violations of statute and rules and would suggest that this continue.

Section 9 – This section requires that a 10% tax be imposed upon the adjusted gross revenue received from sports wagering by each licensee, to be appropriated for elementary, secondary, and higher education, and to be paid after appropriations for the Commission's reasonable expenses and contributions to the Compulsive Gambling Prevention Fund of the greater of 10% of annual tax revenues or \$5,000,000. In years where the Commission does not collect renewal fees, licensing fees will be insufficient to meet the Commission's reasonable expenses and would thus require the Commission to rely upon tax funds that would otherwise be appropriated to education in the state of Missouri. Section 9 also raises the question of whether an annual 10% or \$5,000,000 contribution to the Compulsive Gambling Prevention Fund is required regardless of the balance of the Fund.

Section 10 – This section requires that licensees maintain in the state, or other location approved by the Commission and consistent with federal law, a computer server or servers used to receive transmissions of requests to place wagers and that transmit acceptance of those requests. Under current federal law, the servers would only be intrastate. The Commission is also aware of a potential conflict between the petition and Article III, Section 39 regarding the location of the servers within the state.

Section 10 – This section is included under the language requiring the placement of servers to accept wagers and would likely be better included under its own section. As it stands, this portion of Section 10 requires that there will be the Compulsive Gambling Prevention Fund created in the state treasury which shall consist of the taxes and fees collected pursuant to the petition. The section is not clear if the Compulsive Gambling Prevention Fund shall contain only the funds specifically directed to the Fund, or if the entirety of fees and taxes will be deposited into this fund in the first instance for later reimbursement and appropriation. This concern mirrors the notes related to Section 7. Further, a compulsive gambling fund was previously authorized under Section 313.842, RSMo. The language here is not clear as to whether the Fund contemplated in this section is a separately established fund, or if it adds to or changes the existing statute. Additionally, this Section invests in the Commission the oversight into use of the Fund for counseling, treatment programs, and grants for compulsive gambling prevention. This oversight would potentially be better accomplished by the Department of Mental Health with their qualifications in understanding Gambling Disorders under the Diagnostic and Statistical Manual (DSM) V.

Section 11(a) – This section states that the definition of adjusted gross revenue (as related to the wagering tax of 10% imposed in Section 7) is the total of all cash or cash equivalents received by a licensee from sports wagering minus (1) all cash and cash equivalents paid out as winnings to patrons, (2) the actual costs paid by a licensee for anything of value provided to and redeemed by patrons, including merchandise or services distributed to

sports wagering patrons to incentivize sports wagering, (3) voided or cancelled wagers, (4) the costs of free play or promotional credits provided to and redeemed by the applicable licensee's patrons, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month, (5) any sums paid as a result of any federal tax, including federal excise tax, and (6) uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering patrons. Section 11(a) also states in (7) that if the amount of adjusted gross receipts in a calendar month is a negative figure, the certificate holder shall remit no sports wagering tax for that calendar month and any negative receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

1. Section 11(a)(4) would allow an operator to deduct up to 25% of the gross costs of promotional credits and free play. As a result, the Commission anticipates that operators will be permitted to deduct amounts to the extent the operator pays zero gaming taxes for sports wagering.
2. Section 11(a)(5) is not clear as to whether "any federal tax" includes taxes from any jurisdiction or just federal taxes imposed from business in the State of Missouri. Further, by using the language contained in the present initiative petition ("*any* sums paid as a result of *any* federal tax"), the provision appears to permit a sports wagering operator to deduct its federal income tax, its federal employment tax, its federal excise tax, and any other federal tax when determining its adjusted gross receipts. If a sports wagering operator is permitted to make such deductions, the Commission anticipates that some operators may have no adjusted gross receipts on which to pay gaming tax. In other words, the Commission anticipates that by permitting such deductions, some operators will pay no gaming taxes on sports wagering.
3. Section 11(a)(7) appears as if it needs to be its own separate section independent from Sections 11(a)(1) through (6), as it does not define or identify deductions from gross revenue.
4. The Commission anticipates that the totality of the deductions identified in Sections 11(a)(1) through (6) will result in sports wagering licensees showing negative adjusted gross revenues and therefore paying no sports wagering tax. This would in turn impact the ability of the Commission to meet its reasonable expenses as well as limit or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri. Additionally, the carryover provisions in Section 11(a)(7) would further impact the ability of the Commission to meet its reasonable expenses and further impact or eliminate contributions.

MGC officials further indicated the projections in the spreadsheets and fiscal impact response are based on estimates from other jurisdictions and the impact of the taxes collected in other jurisdictions comparable to the proposed taxes and tax deductions in Missouri. The narrative, however, also noted that operators may pay little to no taxes if they are permitted to claim deductions that would be in excess of their adjusted gross revenue. Such deductions would potentially be permitted under the language of these petitions, particularly with respect to deductions for promotional or free play and deductions for any federal tax. An example of this is Kansas. In February 2023, Kansans wagered more than \$194 million in sports bets. The state, however, received \$1,134 in state tax revenue due to language permitting operators to deduct free play or promotional credits before assessing their state taxes. Some operators had not paid any state taxes through the first quarter of 2023 due to the deductions they were permitted to claim. The link to this information is at the end of the response.

The projected revenues in the response provided are based on what the MGC can estimate from a strictly numbers perspective. These numbers, however, are subject to a wide margin based on the uncertainty of operators' abilities to claim deductions consistent with the language in these petitions.

<https://wichitabeacon.org/stories/2023/06/14/loophole-in-kansas-sports-betting-law-helps-companies-avoid-tax/>

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and the State Technical College of Missouri.**

Fiscal Note Summary

State governmental entities estimate onetime costs of \$660,000, ongoing annual costs of at least \$5.2 million, and initial license fee revenue of \$11.75 million. Because the proposal allows for deductions against sports gaming revenues, they estimate unknown tax revenue ranging from \$0 to \$28.9 million annually. Local governments estimate unknown revenue.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

RECEIVED

OCT 04 2023

STATE AUDITORS OFFICE

ELECTIONS DIVISION
(573) 751-2301

October 4, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article III, version 7 (2024-160)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on October 4, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission pursuant to Article III, Section 39(g) may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. A licensee shall not offer sports wagering to individuals who are under twenty-one years of age.

4. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

c. The Commission shall issue not more than two mobile licenses to operate sports wagering in this state directly to qualified applicants that are sports wagering operators. Each sports wagering operator shall only be eligible for one mobile license per distinct sports wagering operator brand. For purposes of Article III, Section 39(g) brand shall refer to the name, trade name, licensed trademark, or assumed business name of the sports wagering operator. If there are more than two qualified applicants for a mobile license to be issued by the Commission directly to a sports wagering operator under this section, the Commission shall select the applicant for licensure based on the applicant's ability to satisfy the following criteria:

(1) Expertise in the business of online sports wagering;

(2) Integrity, sustainability, and safety of the applicant's online sports wagering platform;

(3) Past relevant experience of the applicant;

(4) Advertising and promotional plans to increase and sustain revenue;

(5) Ability to generate, maximize, and sustain revenues for the state;

(6) Demonstrated commitment to and plans for the promotion of responsible gaming; and

(7) Capacity to increase the number of bettors on the applicant's online sports wagering platform.

5. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control. In the application, the Commission shall require applicants to disclose the identity of all of the following:

a. The applicant's principal owners who directly own 10% or more of the applicant;

b. Each holding, intermediary, or parent company that directly owns 15% or more of the applicant; and

c. The applicant's board appointed chief executive officer and chief financial officer, or the equivalent individuals, as determined by the Commission.

6. Retail and mobile license applicants shall be required to pay a license fee as follows:

a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.

b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.

7. a. A license for sports wagering shall not be assignable or transferable without approval of the Commission. Such approval shall not be unreasonably withheld.

b. A license shall authorize a licensee to offer sports wagering under not more than one sports wagering operator brand, provided, however, that such licensee shall also be permitted, but not required, to use the brand of a professional team or excursion gambling boat pursuant to a partnership with such entity. Notwithstanding any other provision of law to the contrary and subject to approval by the Commission, a person or entity may hold and operate more than one license under distinct sports wagering operator brands, regardless of whether multiple brands are owned by the same parent entity.

c. Commercial agreements between an excursion gambling boat or a professional sports team and a sports wagering operator shall be submitted to the Commission as agreed to by the contracting parties. The Commission shall not prescribe any terms or conditions that are required to be included into such commercial agreements. A sports governing body or professional sports team may enter into commercial agreements with sports wagering operators or other entities in which such sports governing body or professional sports team may share in the amount wagered on sporting events of such sports governing body or professional sports team. A professional sports team may grant any such rights provided under this paragraph to its affiliate. Neither a sports governing body nor a professional sports team, nor such team's affiliate, is required to obtain a license or any other approval from the Commission to lawfully accept such amounts.

d. Each mobile licensee shall determine, set, and display applicable lines, point spreads, odds, or other information pertaining to online sports wagering.

e. Any submission to the Commission under this section, including all documents, reports, and data submitted therewith, that contain proprietary information, trade secrets, financial information, or personal information about any person or entity shall be treated in the same confidential manner as submissions by other licensees of the Commission and shall not be subject to disclosure pursuant to Chapter 610 RSMo.

8. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:

a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and

b. to the extent all reasonable expenses incurred by the Commission have been reimbursed, the remaining fees shall be deposited in the Compulsive Gaming Prevention Fund.

9. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce commercially reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall examine the rules implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework, including, but not limited to:

a. Standards governing the security and integrity of sports wagering, including requiring the use of official league data on the terms and conditions set forth below from each applicable sports governing body headquartered in the United States solely for the purposes of determining the outcome of tier two sports wagers on a professional athlete or sporting event, but only if made available to licensees on commercially reasonable terms. Sports wagering operators may use any data source for determining the results of any and all tier one sports wagers on any and all sporting events, and the results of any and all tier two sports wagers on sporting events of an organization that is not headquartered in the United States.

(1) A sports governing body may notify the Commission that it desires sports wagering operators to use official league data to settle tier two sports wagers on sporting events of such sports governing body. Such notification shall be made in the form and manner the Commission may require. The Commission shall notify each sports wagering operator of a sports governing body's notification within five days of the Commission's receipt of such notification. If a sports governing body does not notify the Commission of its desire to supply official league data, a sports wagering operator may use any data source for determining the results of any and all tier two sports wagers on sporting events of such sports governing body.

(2) Within 60 days of the Commission notifying each sports wagering operator of a sports governing body's notification to the Commission, or such longer period as may be agreed between the sports governing body and the applicable sports wagering operator, sports wagering operators shall use only official league data to determine the results of tier two sports wagers on sporting events of that sports governing body, unless:

(a) The sports governing body or its designee cannot provide a feed of official league data to determine the results of a particular type of tier two sports wager, in which case sports wagering operators may use any data source for determining the results of the applicable tier two sports wager until such time as such a data feed becomes available from the sports governing body on commercially reasonable terms and conditions;

(b) A sports wagering operator can demonstrate to the Commission that the sports governing body or its designee will not provide a feed of official league data to the sports wagering operator on commercially reasonable terms and conditions; or

(c) The sports governing body or its designee does not obtain the necessary supplier approvals to provide official league data to sports wagering operators to determine the results of tier two sports wagers, if and to the extent required by law.

(3) The following is a non-exclusive list of factors that the Commission may consider in evaluating official league data is being offered on commercially reasonable terms and conditions for the purposes of paragraphs (a) and (b) of subsection (2):

(a) The availability of a sports governing body's tier two official league data to a sports wagering operator from more than one authorized source;

(b) Market information, including, but not limited to, price and other terms and conditions, regarding the purchase by sports wagering operators of comparable data for the purpose of settling sports wagers in this state and other jurisdictions;

(c) The nature and quantity of data, including the quality and complexity of the process utilized for collecting such data; and

(d) The extent to which sports governing bodies or their designees have made data used to settle tier two bets or wagers available to operators and any terms and conditions relating to the use of that data.

(4) Notwithstanding anything set forth to the contrary herein, including without limitation subparagraph (3), during the pendency of the Commission's determination as to whether a sports governing body or its designee will provide a feed of official league data on commercially reasonable terms, a sports wagering operator may use any data source for determining the results of any and all tier two sports wagers. The Commission's determination shall be made within 120 days of the sports wagering operator notifying the Commission that it desires to demonstrate that the sports governing body or its designee will not provide a feed of official league data to the sports wagering operator on commercially reasonable terms.

b. Standards concerning a licensee's books and financial records relating to sports wagering, including auditing requirements, standards for the daily counting of a licensee's gross receipts from sports wagering, and standards to ensure that internal controls are followed;

c. Standards for the use and distribution of monies from the Compulsive Gaming Prevention Fund shall include, but not be limited to, research, detection, and prevention of compulsive gaming, the implementation of treatment and recovery programs, or services related to compulsive gaming in this state;

d. Standards concerning the detection and prevention of compulsive gaming including, but not limited to, requirements to prominently display information regarding compulsive gaming on all online sports wagering platforms and promotions;

e. Requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;

f. Standards for licensees and sports wagering operators to report to the Commission and the sports governing bodies information related to: abnormal betting activity or patterns that may indicate a concern with the integrity of a sporting event or events; suspicious or illegal betting activities if known to the applicable licensee or sports wagering operator; and any other conduct that corrupts a betting outcome of a sporting event or events for purposes of financial gain, including match fixing;

g. Standards for any sports governing body to submit to the Commission a written request to restrict, limit, or exclude a certain type, form, or category of sports betting with respect to a sporting event of that sports governing body, if the applicable sports governing body believes that such type, form, or category of sports wagering with respect to the sporting event of the sports governing body may undermine the integrity or perceived integrity of the applicable sports governing body or sporting events of the applicable sports governing body.

These standards shall also require the Commission to request comment from sports wagering operators on all requests made pursuant to this paragraph and after giving due consideration to all comments received, the Commission shall, upon a demonstration of good cause from the applicable sports governing body that such type, form, or category of sports betting is likely to undermine the integrity or perceived integrity of such body or sporting events of the applicable sports governing body, grant the request.

These standards shall require the Commission to respond to a request concerning a sporting event before the start of the event, or, if it is not feasible to respond before the start of the event, no later than 7 days after the request is made, and if the Commission determines that the applicable sports governing body is more likely than not to prevail in successfully demonstrating good cause for its request, the Commission may provisionally grant the request of the applicable sports governing body pending the Commission's final determination thereon. Unless the Commission provisionally grants the request, sports wagering operators may continue to offer sports betting and accept bets on the covered sporting event pending a final determination by the Commission;

h. Requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;

i. Standards for the regulation of suppliers of sports wagering goods, services, software, or any other components necessary for the creation of sports wagering markets and determination of wager outcomes;

j. Standards for the implementation of responsible gaming programs, including using commercially reasonable efforts to verify that a person placing a bet on a sporting event is of the legal minimum age for placing such bet, displaying a hyperlink on its online sports wagering platform to responsible gaming information, allowing individuals to voluntarily exclude themselves from placing bets with the operator through a process established by the Commission, and allowing persons to place limits on their time, deposit, or bet limits in a daily, weekly, or monthly manner;

k. Establishing fines, placing licensees on probation, and revoking licenses for violations of this section. The Commission may impose fines upon any person holding, or required to hold, a license or approval under this section or the rules subsequently adopted. Fines shall not exceed \$50,000 per violation or \$100,000 resulting from violation of the same occurrence of events. The Commission shall promulgate rules relating to procedures for disciplinary hearings, including that any such decision may be appealed to circuit court;

l. Establishing a start date for all sports wagering that is not later than December 1, 2025. No sports wagering, either retail or mobile, shall be offered in the state before such start date established by the Commission. No category of license shall be given an earlier launch date over any other category of license; and

m. Prohibiting all sports wagering activity, including sports wagering promotional and advertising activity, within a sports district, unless approved by the professional sports team that plays its home games within the district, except such rules shall not prohibit any licensee from offering sports wagering through an online sports wagering platform to persons physically located within a sports district.

10. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports wagering conducted by each licensee and each sports wagering operator acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in this state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(1) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(2) the greater of 10% of such annual tax revenues or \$5,000,000 to the Compulsive Gaming Fund.

c. Such revenues shall not be included within the definition of “total state revenues” in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

11. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.

12. All wagers authorized under this section must be initiated, made, or otherwise placed by a bettor while physically present within this state. The intermediate routing of electronic data related to lawful intrastate wagers authorized under this section shall not determine the location or locations in which the bet is initiated, transmitted, received, or otherwise made. Each online sports wagering operator shall use commercially reasonable geolocation and geofencing technology to ensure that it accepts bets only from customers who, at the time of placing the bet, are physically present in this state.

13. a. An individual wagering in this state shall establish an online sports wagering account with an online sports wagering operator:

(1) over the Internet;

(2) through an online sports wagering platform; or

(3) through other means approved by the Commission.

b. An individual wagering in this State shall not register more than one account with each online sports wagering platform. Mobile licensees shall use commercially reasonable means to ensure that each customer is limited to one account per platform.

c. Permissible methods of funding and withdrawal for accounts include, but are not limited to, credit cards, debit cards, gift cards, reloadable prepaid cards, free and promotional credit, automated clearing house transfers, online and mobile payment systems that support online money transfers, and wire transfers. The Commission may approve additional funding and withdrawal methods including, but not limited to, cash deposits at approved locations and secure cryptocurrencies.

14. a. A sports wagering operator shall use commercially and technologically reasonable means to ensure marketing and advertisements do not purposefully target individuals who have self-excluded from placing bets on sporting events.

b. A sports wagering operator shall employ commercially reasonable methods to ensure that advertisements for sports betting:

(1) do not purposefully target minors;

(2) are not false, misleading, or deceptive to a reasonable consumer; and

(3) clearly and conspicuously disclose the material terms of any promotional offer in the advertisement. Any promotion or advertisement must provide the consumer with the full and complete terms of a promotion by providing a website, or other location, in the promotional advertisement, that directs the viewer to where the full and complete promotional terms can be viewed. This may be satisfied by the promotional advertisement containing a hyperlink that takes the viewer directly to the full and complete offer and terms.

15. There is hereby created in the state treasury the “Compulsive Gaming Prevention Fund”, which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall be utilized by the Commission for the purposes of:

a. providing counseling and other support services for compulsive and problem gamers;

b. developing and implementing problem gaming treatment and prevention programs; and

c. providing grants to supporting organizations that provide assistance to compulsive gamers.

16. As used in this section the following terms shall mean:

a. “Adjusted gross revenue,” the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

(1) All cash and cash equivalents paid out as winnings to sports wagering customers

(2) The actual costs paid by a licensee for anything of value provided to and redeemed by customers, including merchandise or services distributed to sports wagering customers to incentivize sports wagering;

(3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee's customers, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering customers

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the licensee shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. "Commission," means the Missouri Gaming Commission;

c. "Excursion gambling boat," means an excursion gambling boat or floating facility as described in Article III, Section 39(c);

d. "License," means any retail license or mobile license.

e. "Licensee," means the holder of any retail or mobile license.

f. "Mobile license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. "Online sports wagering platform," means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate mobile sports wagering.

h. "Professional sports team," means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women's National Basketball Association, or the National Women's Soccer League.

i. "Retail license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. "Sports district," means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. "Sports wagering," means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or any other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events.

Sports wagering shall not include:

(1) a fantasy sports contest comprising multiple participants competing against one another in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. A fantasy sports contest operator shall not qualify as a "participant" for purposes of this section; and

(2) wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant; and

(3) wagering on youth or high school events.

l. "Sports wagering operator," means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

m. "Tier one sports wager," means a sports wager that is determined solely by the final score or final outcome of the sporting event and is placed before the sporting event has begun.

n. "Tier two sports wager," means a sports wager that is not a tier one sports wager.

17. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

18. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-160)**

Subject

Initiative petition from Alixandra Cossette regarding a proposed constitutional amendment to Article III. (Received October 4, 2023)

Date

October 24, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **State Auditor's office**, and the **Missouri Gaming Commission**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-160 and determined there is no measurable impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated they defer to the fiscal determination of the gaming commission.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health (DMH)** indicated this petition would modify Article III, Section 39(g) of the Missouri Constitution legalizing sports wagering in Missouri. Implementation of the initiative petition may result in increased demand for DMH services due to increased access to gambling opportunities but does not appear to mandate any individual to receive treatment which will remain voluntary.

The initiative petition does not appear to create an additional fiscal impact to DMH unless the number of consumers increases and requires additional services to be provided by DMH.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-160 proposing to amend Article III.

Officials from the **Department of Revenue** indicated after thorough review, the Department's response to this initiative petition:

IP 24-160 attempts to create a sports wagering program in the state of Missouri. It appears it wants the Missouri Gaming Commission (Commission) to regulate the sports betting.

Sections 39(g)2 – 39(g)5. requires that a retail license be offered to certain organizations to allow for sports betting. Only licensed organizations will be allowed to offer sports betting. It appears it would allow each of the current 13 excursion gambling boats and the 6 current professional sports teams in Missouri to apply for a sports betting retail license. For purposes of the fiscal note they will assume all these groups apply for the sports betting retail license. Section 39(g)6 allows the Commission to set the fee for the retail license up to \$250,000. For purposes of the fiscal note only, they will assume that the Commission sets the fee at the full amount allowed and therefore the retail licenses could potentially generate \$4,750,000 $[(13 \text{ boats} * \$250,000) + (6 \text{ teams} * \$250,000)]$ in the first year and the same in the fifth year due to renewal fees.

The Department of Revenue (Department) notes while the proposal appears to allow the Commission to set the retail license fee amount and to issue the licenses, it does not give the Commission the necessary authority to actually collect the retail license fee or to deposit the fees into any state fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears these retail license fees will not generate any revenue to the state, the Commission, or to the Compulsive Gaming Prevention Fund.

Section 39(g)4.(c) allows the Commission to issue not more than 2 mobile license to certain organizations in the state. It allows the Commission to set the mobile license fee at up to \$500,000. The Department is unaware of the number of organizations that would apply for this mobile license and would defer to the Commission for an estimate of that number. However, the Department notes that while the proposal appears to allow the Commission to set the mobile license fee amount and to issue the licenses, it does not give the Commission the necessary authority to actually collect the mobile license fee or to deposit the fees into any state fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears these mobile license fees will not generate any revenue to the state, the Commission, or to the Compulsive Gaming Prevention Fund.

Section 39(g)8 says that all fees prescribed by the Commission and collected by the state shall be appropriated as identified in the proposal. It should be noted that the Commission is not expressly authorized under this proposal to collect any of the fees described in this proposal nor is any other agency expressly authorized to collect the fees under these sections. This proposal requires the assessment of fees but does not require the fees remittance. Therefore, these sections will not generate any revenue to the state, the Commission or to the Compulsive Gaming Prevention Fund.

Section 39(g)9 provides the Commission rule making authority, limited to certain delineated items. Collection of fees and/or the taxes outlined in the proposal is not one of

them. They are allowed to create rules on the use of the funds in the Compulsive Gaming Prevention Fund but not for its collection. Since no money is to be remitted by the sports betting retail or mobile licensees, it appears this authority may not be needed.

Section 39(g)10 appears to impose a 10% wagering tax on the adjusted gross revenue of the licensee. The Department defers to the Commission for an estimate of the tax that would be collected from the 10% sports betting tax.

This section requires collection of the 10% sports betting tax but does not require remittance of the tax to the Department, Commission or any other state agency. Without the identification of an agency to collect the tax, no tax can be collected. Therefore, it appears this section will not generate any revenue to the state, the Commission or to the Compulsive Gaming Prevention Fund.

Should the Department be asked to collect the taxes generated under this proposal, it was not provided rulemaking authority in which to do it. In addition, the Department expects to have an administrative fiscal impact. Excursion gambling boats currently remit their gambling taxes they collect nightly. The Department would want to create a system similar to the existing gambling tax system. The Department estimates such a system would cost \$100,415 (\$95 per hour * 1,057 hours work). The Department would also need 1 Associate Customer Service Representative with an annual salary of \$36,628 to process payments and reports.

Section 39(g)15 creates the Compulsive Gaming Prevention Fund. This fund appears to duplicate the already existing Compulsive Gamblers Fund (0249) created in Section 313.842 RSMo.

The Department notes that the Sports districts definition may include more than intended. Section 16(j) explains that "sports district" includes any Missouri stadium with a capacity over 11,500 that operates as home for one or more "professional sports team". It also extends to the surrounding area within 400 yards of such premises. Section 16(h) which defines "professional sports team" includes both Major League Soccer (MLS) and National Women's Soccer League (NWSL). The Department notes that CITYPARK, which is home to the MLS team the St. Louis City SC is in downtown St. Louis. The 400 yard extension will potentially cover multiple streets with private retail and residential locations. Additionally, the planned KC Current Stadium, home to the NWSL team the Kansas City Current will also be located in close proximity to private locations. Built within the Berkley Riverfront Park, the stadium will also be next to a public park.

Summary:

Due to the wording in this IP, the Department of Revenue assumes this IP will not generate any revenue to the state.

Officials from the **Department of Public Safety - Office of the Director** indicated:

The Missouri State Highway Patrol anticipates the need for two (2) additional full-time employees (FTE) to conduct background investigations and the subsequent renewals for sports wagering vendors, along with four (4) additional FTE for enforcement activities. Expenses related to the six (6) FTE would be paid from the Gaming Fund (0286). One-time and ongoing expenses, shown below, would include salary, fringe, vehicles, gasoline, and related equipment. The Patrol's response below is applicable for each of the initiative petitions.

Salary:

Position Title: Sergeant (V07005)
Annual Salary: \$99,648
Total Cost for Salaries: \$597,888

Fringe:

Annual Cost per Position: \$85,637
Total Fringe Amount: \$513,822

Expense & Equipment:

Initial Costs: \$501,330
Ongoing Costs: \$130,956

Total Cost for Salaries, Fringe, & Associated Equipment:

Initial Cost: \$1,613,040
Ongoing Costs: \$1,242,666

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-160 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for initiative petition 24-160.

Officials from the **Office of Administration** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-160 a proposed constitutional amendment to Article III, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-160 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-160 proposing to amend Article III.

Officials from **St. Louis County** indicated the initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated this will have a fiscal impact to their college. Unknown impact at this time due to revenues and expenses being unknown.

Officials from **University of Missouri** indicated the University of Missouri System does not expect cost to exceed \$100,000.

Official from **St. Louis Community College** indicated they have reviewed the petition initiative and cannot determine the effect on the college since no estimate of revenues has been made. Their response in no way assesses the merits of the petition on its face.

Officials from the **State Auditor's office** (SAO) indicated there would be a fiscal impact on the SAO. They believe this would create the need for a stand-alone performance audit consisting of 500 hours. 500 hours multiplied by \$90.00 per hour (current average audit cost per staff hour) equals a \$45,000 impact.

Officials from the **Missouri Gaming Commission** (MGC) indicated:

This proposal will affect the Missouri State Highway Patrol, Missouri Dept. of Revenue, Missouri Dept. of Mental Health, Home Dock Cities/Counties, "sports districts" located in St. Louis and Kansas City, as that term is defined in the proposal.

It may have an impact on local jurisdictions and businesses surrounding and in close proximity to the "sports districts" located in St. Louis and Kansas City areas, as that term is defined in the proposal.

The MGC anticipates licensees to pay license fees and renewal fees to the MGC in order to regulate and manage sports wagering in Missouri. It also imposes certain taxes be paid by licensees based on their adjusted gross revenue.

If this initiative petition passes, the Missouri Gaming Commission (MGC) estimates needing fifteen new FTE positions, which would result in an initial cost to the MGC of \$1,786,582.86 (including salary, fringe, supplies, equipment, and travel/lodging related to job performance of those additional employees), in addition to approximately \$2,182,431.33, which represents 7.7% of the MGC existing budget each year (to cover the costs of MGC and MSHP Gaming Division staff plus expenses needed to license and regulate sports wagering) for a total initial cost of \$3,969,014.17. Additional costs included

in this estimate may also encompass those associated with the development and implementation of responsible gambling programs. The total annual ongoing personnel cost, after the first year, is estimated to be \$3,910,738.87.

The MGC and the Missouri State Highway Patrol (MSHP) currently have a Memorandum of Understanding (MOU) in place which states that the MSHP will provide background and criminal and regulatory investigation and enforcement support to the MGC to assist it in carrying out its duties, which results in these additional costs.

The MGC estimates a total of 19 applicants for retail sports wagering licenses, to include the 13 current excursion gambling boats, plus 6 “sports districts” located in St. Louis and Kansas City areas, as that term is defined in the proposal. Initiative 24-160, Article III, Section 39(g).4 allows for the excursion gambling boat owners and the professional teams to apply for mobile licenses, in addition to two mobile licenses to untethered sports wagering operators, for a total of 14 mobile licenses.

Based on the number of sports wagering licenses, the MGC estimates collection of fees approximately \$11.75 million the first year and every fifth year of operation. Pursuant to Section 39(g).7 the fees would be utilized for reimbursement of expenses incurred by the MGC to regulate sports wagering. Any remaining fees will be deposited into the Compulsive Gambling Prevention Fund. Pursuant to Section 39(g).16 a wagering tax of 10% is imposed based on adjusted gross revenue. Annual revenues will be appropriated to elementary, secondary and higher education only after the annual tax revenues are used to reimburse expenses incurred by MGC and to fund the Compulsive Gambling Prevention Fund at the greater of 10% of annual tax revenues or \$5,000,000 to the Compulsive Gambling Fund.

In calculating tax revenue estimates, the Missouri Gaming Commission used the sports wagering data from a comparable state, Indiana, due to it having similar population, number of casinos, geographical proximity and other demographics as Missouri. Indiana’s total adjusted receipts from sports wagering, which includes both retail (in-person) and online, was \$84,969,839 for 2020, \$240,503,973 for 2021, and \$328,639,984 for 2022. Assuming that the total adjusted gross revenue for sports wagering in Missouri will be comparable to that of Indiana, the Gaming Commission estimates that total adjusted gross revenue for sports wagering in Missouri will be \$63,514,955 for the first year, \$179,776,720 for the second year, \$245,658,388 for the third year, and \$266,539,351 for the fourth year (fourth year estimate is based on 8.5% growth from the previous year per a study completed by Eilers & Krejcik). In determining the aforementioned estimates, a .25% deduction for excise tax and a 25% deduction for promotional wagering were made to Missouri’s total adjusted gross revenue from sports wagering due to the initiative’s definition of adjusted gross revenue including such deductions for sports wagering, whereas Indiana’s definition does not. In addition, the term of adjusted gross revenue includes deducting voided or cancelled wagers, uncollectible receivables, and actual costs for anything of value provided to the patron, but such deduction was not made in determining the aforementioned tax revenue estimates, because Indiana’s adjusted gross receipts already include a 2% deduction for such, which the Missouri Gaming Commission estimates will be a similar amount in Missouri. Thus, using the total adjusted gross revenue

for sports wagering in Missouri estimates, the Missouri Gaming Commission estimates that the revenue from the Gaming Tax (10% of Adjusted Gross Receipts) on sports wagering will be \$6,351,495.47 for the first year, \$17,977,671.98 for the second year, \$24,565,838.80 for the third year, \$26,653,935.10 for the fourth year, and \$28,919,519.62 for the fifth year. These estimates, however, are uncertain based on the inclusion of a deduction for “any federal tax” with no corresponding definition or explanation as to what that would include.

Based on the licensing and renewal fees for sports wagering applicants and the taxes on the adjusted gross revenue the total amount of fees and taxes collected may be sufficient to cover the Missouri Gaming Commission’s costs to license and regulate sports wagering, however, that is dependent on the total amount of deductions applied to the adjusted gross revenue

Technical Notes:

Section 4(c) – It is the understanding of the Missouri Gaming Commission (the “Commission”) that this section permits a certain number of mobile licenses that would be untethered from any casino or sports team location or district. Such allowance would potentially be in conflict with Article III, Section 39(e) of the Missouri Constitution, which permits gambling upon the Missouri or Mississippi Rivers only (or in artificial spaces that contain water and are within 1000 feet of the closest edge of the main channel).

Section 6(a) and 6(b) – These sections specify the fees for both (a) retail and (b) mobile licenses. Retail license applicants shall be required to pay a license fee of \$250,000 with a license renewal fee of \$250,000 every five (5) years. Mobile license applicants shall be required to pay a license fee of \$500,000 with a license renewal fee of \$500,000 every five (5) years. To the extent that other language in the petition proscribes allocation of the fees, there is concern that the licensing fees will not cover the expenses of the Missouri Gaming Commission (the “Commission”) during years in which licensing fees or renewals are not collected (i.e., years two, three, and four). These sections are also not clear as to where the license fees and renewal fees are to be deposited. The Commission suggests explicitly requiring fees to be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 8 – This section describes appropriation for the fees collected by the Commission. Section 8 requires that the fees first be used to reimburse the Commission for their reasonable expenses incurred to regulate sports wagering with the remaining fees being deposited into the Compulsive Gambling Prevention Fund. This section raises the question of where the fee monies are being deposited in the first instance if the language requires reimbursement to the Commission. Currently, fees for licensees are deposited with the Missouri Gaming Commission Fund and appropriated accordingly after the Commission’s reasonable expenses have been satisfied. The process by which the Commission is reimbursed is not clear in the current petition, nor is it clear in general how the funds will be dispersed. The Commission suggests explicitly requiring fees to be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 9(k) – This section proscribes the maximum fine that the Commission could impose for violations of the laws and rules promulgated for sports wagering in the State. Historically, the Commission has had broad discretion to discipline operators for violations of statute and rules and would suggest that this continue.

Section 10 – This section requires that a 10% tax be imposed upon the adjusted gross revenue received from sports wagering by each licensee, to be appropriated for elementary, secondary, and higher education, and to be paid after appropriations for the Commission's reasonable expenses and contributions to the Compulsive Gambling Prevention Fund of the greater of 10% of annual tax revenues or \$5,000,000. In years where the Commission does not collect renewal fees, licensing fees will be insufficient to meet the Commission's reasonable expenses and would thus require the Commission to rely upon tax funds that would otherwise be appropriated to education in the state of Missouri. Section 10 also raises the question of whether an annual 10% or \$5,000,000 contribution to the Compulsive Gambling Prevention Fund is required regardless of the balance of the Fund.

Section 11 – This section requires that licensees maintain in the state, or other location approved by the Commission and consistent with federal law, a computer server or servers used to receive transmissions of requests to place wagers and that transmit acceptance of those requests. Under current federal law, the servers would only be intrastate. The Commission is also aware of a potential conflict between the petition and Article III, Section 39 regarding the location of the servers within the state.

Section 15 – Section 15 requires that there will be the Compulsive Gambling Prevention Fund created in the state treasury which shall consist of the taxes and fees collected pursuant to the petition. The section is not clear if the Compulsive Gambling Prevention Fund shall contain only the funds specifically directed to the Fund, or if the entirety of fees and taxes will be deposited into this fund in the first instance for later reimbursement and appropriation. This concern mirrors the notes related to Section 8. Further, a compulsive gambling fund was previously authorized under Section 313.842, RSMo. The language here is not clear as to whether the Fund contemplated in this section is a separately established fund, or if it adds to or changes the existing statute. Additionally, this Section invests in the Commission the oversight into use of the Fund for counseling, treatment programs, and grants for compulsive gambling prevention. This oversight would potentially be better accomplished by the Department of Mental Health with their qualifications in understanding Gambling Disorders under the Diagnostic and Statistical Manual (DSM) V.

Section 16(a) – This section states that the definition of adjusted gross revenue (as related to the wagering tax of 10% imposed in Section 10) is the total of all cash or cash equivalents received by a licensee from sports wagering minus (1) all cash and cash equivalents paid out as winnings to patrons, (2) the actual costs paid by a licensee for anything of value provided to and redeemed by patrons, including merchandise or services distributed to sports wagering patrons to incentivize sports wagering, (3) voided or cancelled wagers, (4) the costs of free play or promotional credits provided to and redeemed by the applicable

licensee's patrons, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month, (5) any sums paid as a result of any federal tax, including federal excise tax, and (6) uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering patrons. Section 16(a) also states in (7) that if the amount of adjusted gross receipts in a calendar month is a negative figure, the certificate holder shall remit no sports wagering tax for that calendar month and any negative receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

1. Section 16(a)(4) would allow an operator to deduct up to 25% of the gross costs of promotional credits and free play. As a result, the Commission anticipates that operators will be permitted to deduct amounts to the extent the operator pays zero gaming taxes for sports wagering.
2. Section 16(a)(5) is not clear as to whether "any federal tax" includes taxes from any jurisdiction or just federal taxes imposed from business in the State of Missouri. Further, by using the language contained in the present initiative petition ("*any* sums paid as a result of *any* federal tax"), the provision appears to permit a sports wagering operator to deduct its federal income tax, its federal employment tax, its federal excise tax, and any other federal tax when determining its adjusted gross receipts. If a sports wagering operator is permitted to make such deductions, the Commission anticipates that some operators may have no adjusted gross receipts on which to pay gaming tax. In other words, the Commission anticipates that by permitting such deductions, some operators will pay no gaming taxes on sports wagering.
3. Section 16(a)(7) appears as if it needs to be its own separate section independent from Sections 16(a)(1) through (6), as it does not define or identify deductions from gross revenue.
4. The Commission anticipates that the totality of the deductions identified in Sections 16(a)(1) through (6) will result in sports wagering licensees showing negative adjusted gross revenues and therefore paying no sports wagering tax. This would in turn impact the ability of the Commission to meet its reasonable expenses as well as limit or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri. Additionally, the carryover provisions in Section 16(a)(7) would further impact the ability of the Commission to meet its reasonable expenses and further impact or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri.

MGC officials further indicated the projections in the spreadsheets and fiscal impact response are based on estimates from other jurisdictions and the impact of the taxes collected in other jurisdictions comparable to the proposed taxes and tax deductions in Missouri. The narrative, however, also noted that operators may pay little to no taxes if they are permitted to claim deductions that would be in excess of their adjusted gross revenue. Such deductions would potentially be permitted under the language of these petitions, particularly with respect to deductions for promotional or free play and deductions for any federal tax. An example of this is Kansas. In February 2023, Kansans wagered more than \$194 million in sports bets. The state, however, received \$1,134 in state tax revenue due to language permitting operators to deduct free play or promotional credits before assessing their state taxes. Some operators had not paid any state taxes through the first quarter of 2023 due to the deductions they were permitted to claim. The link to this information is at the end of the response.

The projected revenues in the response provided are based on what the MGC can estimate from a strictly numbers perspective. These numbers, however, are subject to a wide margin based on the uncertainty of operators' abilities to claim deductions consistent with the language in these petitions.

<https://wichitabeacon.org/stories/2023/06/14/loophole-in-kansas-sports-betting-law-helps-companies-avoid-tax/>

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and the State Technical College of Missouri.**

Fiscal Note Summary

State governmental entities estimate onetime costs of \$660,000, ongoing annual costs of at least \$5.2 million, and initial license fee revenue of \$11.75 million. Because the proposal allows for deductions against sports gaming revenues, they estimate unknown tax revenue ranging from \$0 to \$28.9 million annually. Local governments estimate unknown revenue.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

RECEIVED
OCT 04 2023
STATE AUDITORS OFFICE

ELECTIONS DIVISION
(573) 751-2301

October 4, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article III, version 6 (2024-159)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on October 4, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission pursuant to Article III, Section 39(g) may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. A licensee shall not offer sports wagering to individuals who are under twenty-one years of age.

4. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

c. The Commission shall issue not more than four mobile licenses to operate sports wagering in this state directly to qualified applicants that are sports wagering operators. Each sports wagering operator shall only be eligible for one mobile license per distinct sports wagering operator brand. For purposes of Article III, Section 39(g) brand shall refer to the name, trade name, licensed trademark, or assumed business name of the sports wagering operator. If there are more than four qualified applicants for a mobile license to be issued by the Commission directly to a sports wagering operator under this section, the Commission shall select the applicant for licensure based on the applicant's ability to satisfy the following criteria:

(1) Expertise in the business of online sports wagering;

(2) Integrity, sustainability, and safety of the applicant's online sports wagering platform;

(3) Past relevant experience of the applicant;

(4) Advertising and promotional plans to increase and sustain revenue;

(5) Ability to generate, maximize, and sustain revenues for the state;

(6) Demonstrated commitment to and plans for the promotion of responsible gaming; and

(7) Capacity to increase the number of bettors on the applicant's online sports wagering platform.

5. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control. In the application, the Commission shall require applicants to disclose the identity of all of the following:

a. The applicant's principal owners who directly own 10% or more of the applicant;

b. Each holding, intermediary, or parent company that directly owns 15% or more of the applicant; and

c. The applicant's board appointed chief executive officer and chief financial officer, or the equivalent individuals, as determined by the Commission.

6. Retail and mobile license applicants shall be required to pay a license fee as follows:

a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.

b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.

7. a. A license for sports wagering shall not be assignable or transferable without approval of the Commission. Such approval shall not be unreasonably withheld.

b. A license shall authorize a licensee to offer sports wagering under not more than one sports wagering operator brand, provided, however, that such licensee shall also be permitted, but not required, to use the brand of a professional team or excursion gambling boat pursuant to a partnership with such entity. Notwithstanding any other provision of law to the contrary and subject to approval by the Commission, a person or entity may hold and operate more than one license under distinct sports wagering operator brands, regardless of whether multiple brands are owned by the same parent entity.

c. Commercial agreements between an excursion gambling boat or a professional sports team and a sports wagering operator shall be submitted to the Commission as agreed to by the contracting parties. The Commission shall not prescribe any terms or conditions that are required to be included into such commercial agreements. A sports governing body or professional sports team may enter into commercial agreements with sports wagering operators or other entities in which such sports governing body or professional sports team may share in the amount wagered on sporting events of such sports governing body or professional sports team. A professional sports team may grant any such rights provided under this paragraph to its affiliate. Neither a sports governing body nor a professional sports team, nor such team's affiliate, is required to obtain a license or any other approval from the Commission to lawfully accept such amounts.

d. Each mobile licensee shall determine, set, and display applicable lines, point spreads, odds, or other information pertaining to online sports wagering.

e. Any submission to the Commission under this section, including all documents, reports, and data submitted therewith, that contain proprietary information, trade secrets, financial information, or personal information about any person or entity shall be treated in the same confidential manner as submissions by other licensees of the Commission and shall not be subject to disclosure pursuant to Chapter 610 RSMo.

8. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:

a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and

b. to the extent all reasonable expenses incurred by the Commission have been reimbursed, the remaining fees shall be deposited in the Compulsive Gaming Prevention Fund.

9. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce commercially reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall examine the rules implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework, including, but not limited to:

a. Standards governing the security and integrity of sports wagering, including requiring the use of official league data on the terms and conditions set forth below from each applicable sports governing body headquartered in the United States solely for the purposes of determining the outcome of tier two sports wagers on a professional athlete or sporting event, but only if made available to licensees on commercially reasonable terms. Sports wagering operators may use any data source for determining the results of any and all tier one sports wagers on any and all sporting events, and the results of any and all tier two sports wagers on sporting events of an organization that is not headquartered in the United States.

(1) A sports governing body may notify the Commission that it desires sports wagering operators to use official league data to settle tier two sports wagers on sporting events of such sports governing body. Such notification shall be made in the form and manner the Commission may require. The Commission shall notify each sports wagering operator of a sports governing body's notification within five days of the Commission's receipt of such notification. If a sports governing body does not notify the Commission of its desire to supply official league data, a sports wagering operator may use any data source for determining the results of any and all tier two sports wagers on sporting events of such sports governing body.

(2) Within 60 days of the Commission notifying each sports wagering operator of a sports governing body's notification to the Commission, or such longer period as may be agreed between the sports governing body and the applicable sports wagering operator, sports wagering operators shall use only official league data to determine the results of tier two sports wagers on sporting events of that sports governing body, unless:

(a) The sports governing body or its designee cannot provide a feed of official league data to determine the results of a particular type of tier two sports wager, in which case sports wagering operators may use any data source for determining the results of the applicable tier two sports wager until such time as such a data feed becomes available from the sports governing body on commercially reasonable terms and conditions;

(b) A sports wagering operator can demonstrate to the Commission that the sports governing body or its designee will not provide a feed of official league data to the sports wagering operator on commercially reasonable terms and conditions; or

(c) The sports governing body or its designee does not obtain the necessary supplier approvals to provide official league data to sports wagering operators to determine the results of tier two sports wagers, if and to the extent required by law.

(3) The following is a non-exclusive list of factors that the Commission may consider in evaluating official league data is being offered on commercially reasonable terms and conditions for the purposes of paragraphs (a) and (b) of subsection (2):

(a) The availability of a sports governing body's tier two official league data to a sports wagering operator from more than one authorized source;

(b) Market information, including, but not limited to, price and other terms and conditions, regarding the purchase by sports wagering operators of comparable data for the purpose of settling sports wagers in this state and other jurisdictions;

(c) The nature and quantity of data, including the quality and complexity of the process utilized for collecting such data; and

(d) The extent to which sports governing bodies or their designees have made data used to settle tier two bets or wagers available to operators and any terms and conditions relating to the use of that data.

(4) Notwithstanding anything set forth to the contrary herein, including without limitation subparagraph (3), during the pendency of the Commission's determination as to whether a sports governing body or its designee will provide a feed of official league data on commercially reasonable terms, a sports wagering operator may use any data source for determining the results of any and all tier two sports wagers. The Commission's determination shall be made within 120 days of the sports wagering operator notifying the Commission that it desires to demonstrate that the sports governing body or its designee will not provide a feed of official league data to the sports wagering operator on commercially reasonable terms.

b. Standards concerning a licensee's books and financial records relating to sports wagering, including auditing requirements, standards for the daily counting of a licensee's gross receipts from sports wagering, and standards to ensure that internal controls are followed;

c. Standards for the use and distribution of monies from the Compulsive Gaming Prevention Fund shall include, but not be limited to, research, detection, and prevention of compulsive gaming, the implementation of treatment and recovery programs, or services related to compulsive gaming in this state;

d. Standards concerning the detection and prevention of compulsive gaming including, but not limited to, requirements to prominently display information regarding compulsive gaming on all online sports wagering platforms and promotions;

e. Requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;

f. Standards for licensees and sports wagering operators to report to the Commission and the sports governing bodies information related to: abnormal betting activity or patterns that may indicate a concern with the integrity of a sporting event or events; suspicious or illegal betting activities if known to the applicable licensee or sports wagering operator; and any other conduct that corrupts a betting outcome of a sporting event or events for purposes of financial gain, including match fixing;

g. Standards for any sports governing body to submit to the Commission a written request to restrict, limit, or exclude a certain type, form, or category of sports betting with respect to a sporting event of that sports governing body, if the applicable sports governing body believes that such type, form, or category of sports wagering with respect to the sporting event of the sports governing body may undermine the integrity or perceived integrity of the applicable sports governing body or sporting events of the applicable sports governing body.

These standards shall also require the Commission to request comment from sports wagering operators on all requests made pursuant to this paragraph and after giving due consideration to all comments received, the Commission shall, upon a demonstration of good cause from the applicable sports governing body that such type, form, or category of sports betting is likely to undermine the integrity or perceived integrity of such body or sporting events of the applicable sports governing body, grant the request.

These standards shall require the Commission to respond to a request concerning a sporting event before the start of the event, or, if it is not feasible to respond before the start of the event, no later than 7 days after the request is made, and if the Commission determines that the applicable sports governing body is more likely than not to prevail in successfully demonstrating good cause for its request, the Commission may provisionally grant the request of the applicable sports governing body pending the Commission's final determination thereon. Unless the Commission provisionally grants the request, sports wagering operators may continue to offer sports betting and accept bets on the covered sporting event pending a final determination by the Commission;

h. Requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;

i. Standards for the regulation of suppliers of sports wagering goods, services, software, or any other components necessary for the creation of sports wagering markets and determination of wager outcomes;

j. Standards for the implementation of responsible gaming programs, including using commercially reasonable efforts to verify that a person placing a bet on a sporting event is of the legal minimum age for placing such bet, displaying a hyperlink on its online sports wagering platform to responsible gaming information, allowing individuals to voluntarily exclude themselves from placing bets with the operator through a process established by the Commission, and allowing persons to place limits on their time, deposit, or bet limits in a daily, weekly, or monthly manner;

k. Establishing fines, placing licensees on probation, and revoking licenses for violations of this section. The Commission may impose fines upon any person holding, or required to hold, a license or approval under this section or the rules subsequently adopted. Fines shall not exceed \$50,000 per violation or \$100,000 resulting from violation of the same occurrence of events. The Commission shall promulgate rules relating to procedures for disciplinary hearings, including that any such decision may be appealed to circuit court;

l. Establishing a start date for all sports wagering that is not later than December 1, 2025. No sports wagering, either retail or mobile, shall be offered in the state before such start date established by the Commission. No category of license shall be given an earlier launch date over any other category of license; and

m. Prohibiting all sports wagering activity, including sports wagering promotional and advertising activity, within a sports district, unless approved by the professional sports team that plays its home games within the district, except such rules shall not prohibit any licensee from offering sports wagering through an online sports wagering platform to persons physically located within a sports district.

10. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports wagering conducted by each licensee and each sports wagering operator acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in this state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(1) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(2) the greater of 10% of such annual tax revenues or \$5,000,000 to the Compulsive Gaming Fund.

c. Such revenues shall not be included within the definition of “total state revenues” in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

11. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.

12. All wagers authorized under this section must be initiated, made, or otherwise placed by a bettor while physically present within this state. The intermediate routing of electronic data related to lawful intrastate wagers authorized under this section shall not determine the location or locations in which the bet is initiated, transmitted, received, or otherwise made. Each online sports wagering operator shall use commercially reasonable geolocation and geofencing technology to ensure that it accepts bets only from customers who, at the time of placing the bet, are physically present in this state.

13. a. An individual wagering in this state shall establish an online sports wagering account with an online sports wagering operator:

(1) over the Internet;

(2) through an online sports wagering platform; or

(3) through other means approved by the Commission.

b. An individual wagering in this State shall not register more than one account with each online sports wagering platform. Mobile licensees shall use commercially reasonable means to ensure that each customer is limited to one account per platform.

c. Permissible methods of funding and withdrawal for accounts include, but are not limited to, credit cards, debit cards, gift cards, reloadable prepaid cards, free and promotional credit, automated clearing house transfers, online and mobile payment systems that support online money transfers, and wire transfers. The Commission may approve additional funding and withdrawal methods including, but not limited to, cash deposits at approved locations and secure cryptocurrencies.

14. a. A sports wagering operator shall use commercially and technologically reasonable means to ensure marketing and advertisements do not purposefully target individuals who have self-excluded from placing bets on sporting events.

b. A sports wagering operator shall employ commercially reasonable methods to ensure that advertisements for sports betting:

(1) do not purposefully target minors;

(2) are not false, misleading, or deceptive to a reasonable consumer; and

(3) clearly and conspicuously disclose the material terms of any promotional offer in the advertisement. Any promotion or advertisement must provide the consumer with the full and complete terms of a promotion by providing a website, or other location, in the promotional advertisement, that directs the viewer to where the full and complete promotional terms can be viewed. This may be satisfied by the promotional advertisement containing a hyperlink that takes the viewer directly to the full and complete offer and terms.

15. There is hereby created in the state treasury the “Compulsive Gaming Prevention Fund”, which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall be utilized by the Commission for the purposes of:

a. providing counseling and other support services for compulsive and problem gamers;

b. developing and implementing problem gaming treatment and prevention programs; and

c. providing grants to supporting organizations that provide assistance to compulsive gamers.

16. As used in this section the following terms shall mean:

a. “Adjusted gross revenue,” the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

(1) All cash and cash equivalents paid out as winnings to sports wagering customers

(2) The actual costs paid by a licensee for anything of value provided to and redeemed by customers, including merchandise or services distributed to sports wagering customers to incentivize sports wagering;

(3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee's customers, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering customers

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the licensee shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. "Commission," means the Missouri Gaming Commission;

c. "Excursion gambling boat," means an excursion gambling boat or floating facility as described in Article III, Section 39(e);

d. "License," means any retail license or mobile license.

e. "Licensee," means the holder of any retail or mobile license.

f. "Mobile license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. "Online sports wagering platform," means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate mobile sports wagering.

h. "Professional sports team," means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women's National Basketball Association, or the National Women's Soccer League.

i. "Retail license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. "Sports district," means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. "Sports wagering," means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or any other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events.

Sports wagering shall not include:

(1) a fantasy sports contest comprising multiple participants competing against one another in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. A fantasy sports contest operator shall not qualify as a "participant" for purposes of this section; and

(2) wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant; and

(3) wagering on youth or high school events.

l. "Sports wagering operator," means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

m. "Tier one sports wager," means a sports wager that is determined solely by the final score or final outcome of the sporting event and is placed before the sporting event has begun.

n. "Tier two sports wager," means a sports wager that is not a tier one sports wager.

17. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

18. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-159)**

Subject

Initiative petition from Alixandra Cossette regarding a proposed constitutional amendment to Article III. (Received October 4, 2023)

Date

October 24, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **State Auditor's office**, and the **Missouri Gaming Commission**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-159 and determined there is no measurable impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated they defer to the fiscal determination of the gaming commission.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health (DMH)** indicated this petition would modify Article III, Section 39(g) of the Missouri Constitution legalizing sports wagering in Missouri. Implementation of the initiative petition may result in increased demand for DMH services due to increased access to gambling opportunities but does not appear to mandate any individual to receive treatment which will remain voluntary.

The initiative petition does not appear to create an additional fiscal impact to DMH unless the number of consumers increases and requires additional services to be provided by DMH.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-159 proposing to amend Article III.

Officials from the **Department of Revenue** indicated after thorough review, the Department's response to this initiative petition:

IP 24-159 attempts to create a sports wagering program in the state of Missouri. It appears it wants the Missouri Gaming Commission (Commission) to regulate the sports betting.

Sections 39(g)2 – 39(g)5. requires that a retail license be offered to certain organizations to allow for sports betting. Only licensed organizations will be allowed to offer sports betting. It appears it would allow each of the current 13 excursion gambling boats and the 6 current professional sports teams in Missouri to apply for a sports betting retail license. For purposes of the fiscal note they will assume all these groups apply for the sports betting retail license. Section 39(g)6 allows the Commission to set the fee for the retail license up to \$250,000. For purposes of the fiscal note only, they will assume that the Commission sets the fee at the full amount allowed and therefore the retail licenses could potentially generate \$4,750,000 $[(13 \text{ boats} * \$250,000) + (6 \text{ teams} * \$250,000)]$ in the first year and the same in the fifth year due to renewal fees.

The Department of Revenue (Department) notes while the proposal appears to allow the Commission to set the retail license fee amount and to issue the licenses, it does not give the Commission the necessary authority to actually collect the retail license fee or to deposit the fees into any state fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears these retail license fees will not generate any revenue to the state, the Commission, or to the Compulsive Gaming Prevention Fund.

Section 39(g)4.(c) allows the Commission to issue not more than 4 mobile license to certain organizations in the state. It allows the Commission to set the mobile license fee at up to \$500,000. The Department is unaware of the number of organizations that would apply for this mobile license and would defer to the Commission for an estimate of that number. However, the Department notes that while the proposal appears to allow the Commission to set the mobile license fee amount and to issue the licenses, it does not give the Commission the necessary authority to actually collect the mobile license fee or to deposit the fees into any state fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears these mobile license fees will not generate any revenue to the state, the Commission, or to the Compulsive Gaming Prevention Fund.

Section 39(g)8 says that all fees prescribed by the Commission and collected by the state shall be appropriated as identified in the proposal. It should be noted that the Commission is not expressly authorized under this proposal to collect any of the fees described in this proposal nor is any other agency expressly authorized to collect the fees under these sections. This proposal requires the assessment of fees but does not require the fees remittance. Therefore, these sections will not generate any revenue to the state, the Commission or to the Compulsive Gaming Prevention Fund.

Section 39(g)9 provides the Commission rule making authority, limited to certain delineated items. Collection of fees and/or the taxes outlined in the proposal is not one of

them. They are allowed to create rules on the use of the funds in the Compulsive Gaming Prevention Fund but not for its collection. Since no money is to be remitted by the sports betting retail or mobile licensees, it appears this authority may not be needed.

Section 39(g)10 appears to impose a 10% wagering tax on the adjusted gross revenue of the licensee. The Department defers to the Commission for an estimate of the tax that would be collected from the 10% sports betting tax.

This section requires collection of the 10% sports betting tax but does not require remittance of the tax to the Department, Commission or any other state agency. Without the identification of an agency to collect the tax, no tax can be collected. Therefore, it appears this section will not generate any revenue to the state, the Commission or to the Compulsive Gaming Prevention Fund.

Should the Department be asked to collect the taxes generated under this proposal, it was not provided rulemaking authority in which to do it. In addition, the Department expects to have an administrative fiscal impact. Excursion gambling boats currently remit their gambling taxes they collect nightly. The Department would want to create a system similar to the existing gambling tax system. The Department estimates such a system would cost \$100,415 (\$95 per hour * 1,057 hours work). The Department would also need 1 Associate Customer Service Representative with an annual salary of \$36,628 to process payments and reports.

Section 39(g)15 creates the Compulsive Gaming Prevention Fund. This fund appears to duplicate the already existing Compulsive Gamblers Fund (0249) created in Section 313.842 RSMo.

The Department notes that the Sports districts definition may include more than intended. Section 16(j) explains that "sports district" includes any Missouri stadium with a capacity over 11,500 that operates as home for one or more "professional sports team". It also extends to the surrounding area within 400 yards of such premises. Section 16(h) which defines "professional sports team" includes both Major League Soccer (MLS) and National Women's Soccer League (NWSL). The Department notes that CITYPARK, which is home to the MLS team the St. Louis City SC is in downtown St. Louis. The 400 yard extension will potentially cover multiple streets with private retail and residential locations. Additionally, the planned KC Current Stadium, home to the NWSL team the Kansas City Current will also be located in close proximity to private locations. Built within the Berkley Riverfront Park, the stadium will also be next to a public park.

Summary:

Due to the wording in this IP, the Department of Revenue assumes this IP will not generate any revenue to the state.

Officials from the **Department of Public Safety - Office of the Director** indicated:

The Missouri State Highway Patrol anticipates the need for two (2) additional full-time employees (FTE) to conduct background investigations and the subsequent renewals for sports wagering vendors, along with four (4) additional FTE for enforcement activities. Expenses related to the six (6) FTE would be paid from the Gaming Fund (0286). One-time and ongoing expenses, shown below, would include salary, fringe, vehicles, gasoline, and related equipment. The Patrol's response below is applicable for each of the initiative petitions.

Salary:

Position Title: Sergeant (V07005)
Annual Salary: \$99,648
Total Cost for Salaries: \$597,888

Fringe:

Annual Cost per Position: \$85,637
Total Fringe Amount: \$513,822

Expense & Equipment:

Initial Costs: \$501,330
Ongoing Costs: \$130,956

Total Cost for Salaries, Fringe, & Associated Equipment:

Initial Cost: \$1,613,040
Ongoing Costs: \$1,242,666

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-159 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for initiative petition 24-159.

Officials from the **Office of Administration** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-159 a proposed constitutional amendment to Article III, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-159 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-159 proposing to amend Article III.

Officials from **St. Louis County** indicated the initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated this will have a fiscal impact to their college. Unknown impact at this time due to revenues and expenses being unknown.

Officials from **University of Missouri** indicated the University of Missouri System does not expect cost to exceed \$100,000.

Official from **St. Louis Community College** indicated they have reviewed the petition initiative and cannot determine the effect on the college since no estimate of revenues has been made. Their response in no way assesses the merits of the petition on its face.

Officials from the **State Auditor's office** (SAO) indicated there would be a fiscal impact on the SAO. They believe this would create the need for a stand-alone performance audit consisting of 500 hours. 500 hours multiplied by \$90.00 per hour (current average audit cost per staff hour) equals a \$45,000 impact.

Officials from the **Missouri Gaming Commission** (MGC) indicated:

This proposal will affect the Missouri State Highway Patrol, Missouri Dept. of Revenue, Missouri Dept. of Mental Health, Home Dock Cities/Counties, "sports districts" located in St. Louis and Kansas City, as that term is defined in the proposal.

It may have an impact on local jurisdictions and businesses surrounding and in close proximity to the "sports districts" located in St. Louis and Kansas City areas, as that term is defined in the proposal.

The MGC anticipates licensees to pay license fees and renewal fees to the MGC in order to regulate and manage sports wagering in Missouri. It also imposes certain taxes be paid by licensees based on their adjusted gross revenue.

If this initiative petition passes, the Missouri Gaming Commission (MGC) estimates needing fifteen new FTE positions, which would result in an initial cost to the MGC of \$1,786,582.86 (including salary, fringe, supplies, equipment, and travel/lodging related to job performance of those additional employees), in addition to approximately \$2,182,431.33, which represents 7.7% of the MGC existing budget each year (to cover the costs of MGC and MSHP Gaming Division staff plus expenses needed to license and regulate sports wagering) for a total initial cost of \$3,969,014.17. Additional costs included

in this estimate may also encompass those associated with the development and implementation of responsible gambling programs. The total annual ongoing personnel cost, after the first year, is estimated to be \$3,910,738.87.

The MGC and the Missouri State Highway Patrol (MSHP) currently have a Memorandum of Understanding (MOU) in place which states that the MSHP will provide background and criminal and regulatory investigation and enforcement support to the MGC to assist it in carrying out its duties, which results in these additional costs.

The MGC estimates a total of 19 applicants for retail sports wagering licenses, to include the 13 current excursion gambling boats, plus 6 “sports districts” located in St. Louis and Kansas City areas, as that term is defined in the proposal. Initiative 24-159, Article III, Section 39(g).4 allows for the excursion gambling boat owners and the professional teams to apply for mobile licenses, in addition to four mobile licenses to untethered sports wagering operators, for a total of 16 mobile licenses.

Based on the number of sports wagering licenses, the MGC estimates collection of fees approximately \$12.75 million the first year and every fifth year of operation. Pursuant to Section 39(g).7 the fees would be utilized for reimbursement of expenses incurred by the MGC to regulate sports wagering. Any remaining fees will be deposited into the Compulsive Gambling Prevention Fund. Pursuant to Section 39(g).16 a wagering tax of 10% is imposed based on adjusted gross revenue. Annual revenues will be appropriated to elementary, secondary and higher education only after the annual tax revenues are used to reimburse expenses incurred by MGC and to fund the Compulsive Gambling Prevention Fund at the greater of 10% of annual tax revenues or \$5,000,000 to the Compulsive Gambling Fund.

In calculating tax revenue estimates, the Missouri Gaming Commission used the sports wagering data from a comparable state, Indiana, due to it having similar population, number of casinos, geographical proximity and other demographics as Missouri. Indiana’s total adjusted receipts from sports wagering, which includes both retail (in-person) and online, was \$84,969,839 for 2020, \$240,503,973 for 2021, and \$328,639,984 for 2022. Assuming that the total adjusted gross revenue for sports wagering in Missouri will be comparable to that of Indiana, the Gaming Commission estimates that total adjusted gross revenue for sports wagering in Missouri will be \$63,514,955 for the first year, \$179,776,720 for the second year, \$245,658,388 for the third year, and \$266,539,351 for the fourth year (fourth year estimate is based on 8.5% growth from the previous year per a study completed by Eilers & Krejcik). In determining the aforementioned estimates, a .25% deduction for excise tax and a 25% deduction for promotional wagering were made to Missouri’s total adjusted gross revenue from sports wagering due to the initiative’s definition of adjusted gross revenue including such deductions for sports wagering, whereas Indiana’s definition does not. In addition, the term of adjusted gross revenue includes deducting voided or cancelled wagers, uncollectible receivables, and actual costs for anything of value provided to the patron, but such deduction was not made in determining the aforementioned tax revenue estimates, because Indiana’s adjusted gross receipts already include a 2% deduction for such, which the Missouri Gaming Commission estimates will be a similar amount in Missouri. Thus, using the total adjusted gross revenue

for sports wagering in Missouri estimates, the Missouri Gaming Commission estimates that the revenue from the Gaming Tax (10% of Adjusted Gross Receipts) on sports wagering will be \$6,351,495.47 for the first year, \$17,977,671.98 for the second year, \$24,565,838.80 for the third year, \$26,653,935.10 for the fourth year, and \$28,919,519.62 for the fifth year. These estimates, however, are uncertain based on the inclusion of a deduction for “any federal tax” with no corresponding definition or explanation as to what that would include.

Based on the licensing and renewal fees for sports wagering applicants and the taxes on the adjusted gross revenue the total amount of fees and taxes collected may be sufficient to cover the Missouri Gaming Commission’s costs to license and regulate sports wagering, however, that is dependent on the total amount of deductions applied to the adjusted gross revenue.

Technical Notes:

Section 4(c) – It is the understanding of the Missouri Gaming Commission (the “Commission”) that this section permits a certain number of mobile licenses that would be untethered from any casino or sports team location or district. Such allowance would potentially be in conflict with Article III, Section 39(e) of the Missouri Constitution, which permits gambling upon the Missouri or Mississippi Rivers only (or in artificial spaces that contain water and are within 1000 feet of the closest edge of the main channel).

Section 6(a) and 6(b) – These sections specify the fees for both (a) retail and (b) mobile licenses. Retail license applicants shall be required to pay a license fee of \$250,000 with a license renewal fee of \$250,000 every five (5) years. Mobile license applicants shall be required to pay a license fee of \$500,000 with a license renewal fee of \$500,000 every five (5) years. To the extent that other language in the petition proscribes allocation of the fees, there is concern that the licensing fees will not cover the expenses of the Missouri Gaming Commission (the “Commission”) during years in which licensing fees or renewals are not collected (i.e., years two, three, and four). These sections are also not clear as to where the license fees and renewal fees are to be deposited. The Commission suggests explicitly requiring fees to be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 8 – This section describes appropriation for the fees collected by the Commission. Section 8 requires that the fees first be used to reimburse the Commission for their reasonable expenses incurred to regulate sports wagering with the remaining fees being deposited into the Compulsive Gambling Prevention Fund. This section raises the question of where the fee monies are being deposited in the first instance if the language requires reimbursement to the Commission. Currently, fees for licensees are deposited with the Missouri Gaming Commission Fund and appropriated accordingly after the Commission’s reasonable expenses have been satisfied. The process by which the Commission is reimbursed is not clear in the current petition, nor is it clear in general how the funds will be dispersed. The Commission suggests explicitly requiring fees to be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 9(k) – This section proscribes the maximum fine that the Commission could impose for violations of the laws and rules promulgated for sports wagering in the State. Historically, the Commission has had broad discretion to discipline operators for violations of statute and rules and would suggest that this continue.

Section 10 – This section requires that a 10% tax be imposed upon the adjusted gross revenue received from sports wagering by each licensee, to be appropriated for elementary, secondary, and higher education, and to be paid after appropriations for the Commission's reasonable expenses and contributions to the Compulsive Gambling Prevention Fund of the greater of 10% of annual tax revenues or \$5,000,000. In years where the Commission does not collect renewal fees, licensing fees will be insufficient to meet the Commission's reasonable expenses and would thus require the Commission to rely upon tax funds that would otherwise be appropriated to education in the state of Missouri. Section 10 also raises the question of whether an annual 10% or \$5,000,000 contribution to the Compulsive Gambling Prevention Fund is required regardless of the balance of the Fund.

Section 11 – This section requires that licensees maintain in the state, or other location approved by the Commission and consistent with federal law, a computer server or servers used to receive transmissions of requests to place wagers and that transmit acceptance of those requests. Under current federal law, the servers would only be intrastate. The Commission is also aware of a potential conflict between the petition and Article III, Section 39 regarding the location of the servers within the state.

Section 15 – Section 15 requires that there will be the Compulsive Gambling Prevention Fund created in the state treasury which shall consist of the taxes and fees collected pursuant to the petition. The section is not clear if the Compulsive Gambling Prevention Fund shall contain only the funds specifically directed to the Fund, or if the entirety of fees and taxes will be deposited into this fund in the first instance for later reimbursement and appropriation. This concern mirrors the notes related to Section 8. Further, a compulsive gambling fund was previously authorized under Section 313.842, RSMo. The language here is not clear as to whether the Fund contemplated in this section is a separately established fund, or if it adds to or changes the existing statute. Additionally, this Section invests in the Commission the oversight into use of the Fund for counseling, treatment programs, and grants for compulsive gambling prevention. This oversight would potentially be better accomplished by the Department of Mental Health with their qualifications in understanding Gambling Disorders under the Diagnostic and Statistical Manual (DSM) V.

Section 16(a) – This section states that the definition of adjusted gross revenue (as related to the wagering tax of 10% imposed in Section 10) is the total of all cash or cash equivalents received by a licensee from sports wagering minus (1) all cash and cash equivalents paid out as winnings to patrons, (2) the actual costs paid by a licensee for anything of value provided to and redeemed by patrons, including merchandise or services distributed to sports wagering patrons to incentivize sports wagering, (3) voided or cancelled wagers, (4) the costs of free play or promotional credits provided to and redeemed by the applicable

licensee's patrons, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month, (5) any sums paid as a result of any federal tax, including federal excise tax, and (6) uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering patrons. Section 16(a) also states in (7) that if the amount of adjusted gross receipts in a calendar month is a negative figure, the certificate holder shall remit no sports wagering tax for that calendar month and any negative receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

1. Section 16(a)(4) would allow an operator to deduct up to 25% of the gross costs of promotional credits and free play. As a result, the Commission anticipates that operators will be permitted to deduct amounts to the extent the operator pays zero gaming taxes for sports wagering.
2. Section 16(a)(5) is not clear as to whether "any federal tax" includes taxes from any jurisdiction or just federal taxes imposed from business in the State of Missouri. Further, by using the language contained in the present initiative petition ("*any* sums paid as a result of *any* federal tax"), the provision appears to permit a sports wagering operator to deduct its federal income tax, its federal employment tax, its federal excise tax, and any other federal tax when determining its adjusted gross receipts. If a sports wagering operator is permitted to make such deductions, the Commission anticipates that some operators may have no adjusted gross receipts on which to pay gaming tax. In other words, the Commission anticipates that by permitting such deductions, some operators will pay no gaming taxes on sports wagering.
3. Section 16(a)(7) appears as if it needs to be its own separate section independent from Sections 16(a)(1) through (6), as it does not define or identify deductions from gross revenue.
4. The Commission anticipates that the totality of the deductions identified in Sections 16(a)(1) through (6) will result in sports wagering licensees showing negative adjusted gross revenues and therefore paying no sports wagering tax. This would in turn impact the ability of the Commission to meet its reasonable expenses as well as limit or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri. Additionally, the carryover provisions in Section 16(a)(7) would further impact the ability of the Commission to meet its reasonable expenses and further impact or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri

MGC officials further indicated the projections in the spreadsheets and fiscal impact response are based on estimates from other jurisdictions and the impact of the taxes collected in other jurisdictions comparable to the proposed taxes and tax deductions in Missouri. The narrative, however, also noted that operators may pay little to no taxes if they are permitted to claim deductions that would be in excess of their adjusted gross revenue. Such deductions would potentially be permitted under the language of these petitions, particularly with respect to deductions for promotional or free play and deductions for any federal tax. An example of this is Kansas. In February 2023, Kansans wagered more than \$194 million in sports bets. The state, however, received \$1,134 in state tax revenue due to language permitting operators to deduct free play or promotional credits before assessing their state taxes. Some operators had not paid any state taxes through the first quarter of 2023 due to the deductions they were permitted to claim. The link to this information is at the end of the response.

The projected revenues in the response provided are based on what the MGC can estimate from a strictly numbers perspective. These numbers, however, are subject to a wide margin based on the uncertainty of operators' abilities to claim deductions consistent with the language in these petitions.

<https://wichitabeacon.org/stories/2023/06/14/loophole-in-kansas-sports-betting-law-helps-companies-avoid-tax/>

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and the State Technical College of Missouri.**

Fiscal Note Summary

State governmental entities estimate onetime costs of \$660,000, ongoing annual costs of at least \$5.2 million, and initial license fee revenue of \$12.75 million. Because the proposal allows for deductions against sports gaming revenues, they estimate unknown tax revenue ranging from \$0 to \$28.9 million annually. Local governments estimate unknown revenue.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

RECEIVED
OCT 04 2023
STATE AUDITORS OFFICE

ELECTIONS DIVISION
(573) 751-2301

October 4, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article III, version 5 (2024-158)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on October 4, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission pursuant to Article III, Section 39(g) may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. A licensee shall not offer sports wagering to individuals who are under twenty-one years of age.

4. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

c. The Commission shall issue not more than three mobile licenses to operate sports wagering in this state directly to qualified applicants that are sports wagering operators. Each sports wagering operator shall only be eligible for one mobile license per distinct sports wagering operator brand. For purposes of Article III, Section 39(g) brand shall refer to the name, trade name, licensed trademark, or assumed business name of the sports wagering operator. If there are more than three qualified applicants for a mobile license to be issued by the Commission directly to a sports wagering operator under this section, the Commission shall select the applicant for licensure based on the applicant's ability to satisfy the following criteria:

(1) Expertise in the business of online sports wagering;

(2) Integrity, sustainability, and safety of the applicant's online sports wagering platform;

(3) Past relevant experience of the applicant;

(4) Advertising and promotional plans to increase and sustain revenue;

(5) Ability to generate, maximize, and sustain revenues for the state;

(6) Demonstrated commitment to and plans for the promotion of responsible gaming; and

(7) Capacity to increase the number of bettors on the applicant's online sports wagering platform.

5. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control. In the application, the Commission shall require applicants to disclose the identity of all of the following:

a. The applicant's principal owners who directly own 10% or more of the applicant;

b. Each holding, intermediary, or parent company that directly owns 15% or more of the applicant; and

c. The applicant's board appointed chief executive officer and chief financial officer, or the equivalent individuals, as determined by the Commission.

6. Retail and mobile license applicants shall be required to pay a license fee as follows:

a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.

b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.

7. a. A license for sports wagering shall not be assignable or transferable without approval of the Commission. Such approval shall not be unreasonably withheld.

b. A license shall authorize a licensee to offer sports wagering under not more than one sports wagering operator brand, provided, however, that such licensee shall also be permitted, but not required, to use the brand of a professional team or excursion gambling boat pursuant to a partnership with such entity. Notwithstanding any other provision of law to the contrary and subject to approval by the Commission, a person or entity may hold and operate more than one license under distinct sports wagering operator brands, regardless of whether multiple brands are owned by the same parent entity.

c. Commercial agreements between an excursion gambling boat or a professional sports team and a sports wagering operator shall be submitted to the Commission as agreed to by the contracting parties. The Commission shall not prescribe any terms or conditions that are required to be included into such commercial agreements. A sports governing body or professional sports team may enter into commercial agreements with sports wagering operators or other entities in which such sports governing body or professional sports team may share in the amount wagered on sporting events of such sports governing body or professional sports team. A professional sports team may grant any such rights provided under this paragraph to its affiliate. Neither a sports governing body nor a professional sports team, nor such team's affiliate, is required to obtain a license or any other approval from the Commission to lawfully accept such amounts.

d. Each mobile licensee shall determine, set, and display applicable lines, point spreads, odds, or other information pertaining to online sports wagering.

e. Any submission to the Commission under this section, including all documents, reports, and data submitted therewith, that contain proprietary information, trade secrets, financial information, or personal information about any person or entity shall be treated in the same confidential manner as submissions by other licensees of the Commission and shall not be subject to disclosure pursuant to Chapter 610 RSMo.

8. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:

a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and

b. to the extent all reasonable expenses incurred by the Commission have been reimbursed, the remaining fees shall be deposited in the Compulsive Gaming Prevention Fund.

9. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce commercially reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall examine the rules implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework, including, but not limited to:

a. Standards governing the security and integrity of sports wagering, including requiring the use of official league data on the terms and conditions set forth below from each applicable sports governing body headquartered in the United States solely for the purposes of determining the outcome of tier two sports wagers on a professional athlete or sporting event, but only if made available to licensees on commercially reasonable terms. Sports wagering operators may use any data source for determining the results of any and all tier one sports wagers on any and all sporting events, and the results of any and all tier two sports wagers on sporting events of an organization that is not headquartered in the United States.

(1) A sports governing body may notify the Commission that it desires sports wagering operators to use official league data to settle tier two sports wagers on sporting events of such sports governing body. Such notification shall be made in the form and manner the Commission may require. The Commission shall notify each sports wagering operator of a sports governing body's notification within five days of the Commission's receipt of such notification. If a sports governing body does not notify the Commission of its desire to supply official league data, a sports wagering operator may use any data source for determining the results of any and all tier two sports wagers on sporting events of such sports governing body.

(2) Within 60 days of the Commission notifying each sports wagering operator of a sports governing body's notification to the Commission, or such longer period as may be agreed between the sports governing body and the applicable sports wagering operator, sports wagering operators shall use only official league data to determine the results of tier two sports wagers on sporting events of that sports governing body, unless:

(a) The sports governing body or its designee cannot provide a feed of official league data to determine the results of a particular type of tier two sports wager, in which case sports wagering operators may use any data source for determining the results of the applicable tier two sports wager until such time as such a data feed becomes available from the sports governing body on commercially reasonable terms and conditions;

(b) A sports wagering operator can demonstrate to the Commission that the sports governing body or its designee will not provide a feed of official league data to the sports wagering operator on commercially reasonable terms and conditions; or

(c) The sports governing body or its designee does not obtain the necessary supplier approvals to provide official league data to sports wagering operators to determine the results of tier two sports wagers, if and to the extent required by law.

(3) The following is a non-exclusive list of factors that the Commission may consider in evaluating official league data is being offered on commercially reasonable terms and conditions for the purposes of paragraphs (a) and (b) of subsection (2):

(a) The availability of a sports governing body's tier two official league data to a sports wagering operator from more than one authorized source;

(b) Market information, including, but not limited to, price and other terms and conditions, regarding the purchase by sports wagering operators of comparable data for the purpose of settling sports wagers in this state and other jurisdictions;

(c) The nature and quantity of data, including the quality and complexity of the process utilized for collecting such data; and

(d) The extent to which sports governing bodies or their designees have made data used to settle tier two bets or wagers available to operators and any terms and conditions relating to the use of that data.

(4) Notwithstanding anything set forth to the contrary herein, including without limitation subparagraph (3), during the pendency of the Commission's determination as to whether a sports governing body or its designee will provide a feed of official league data on commercially reasonable terms, a sports wagering operator may use any data source for determining the results of any and all tier two sports wagers. The Commission's determination shall be made within 120 days of the sports wagering operator notifying the Commission that it desires to demonstrate that the sports governing body or its designee will not provide a feed of official league data to the sports wagering operator on commercially reasonable terms.

b. Standards concerning a licensee's books and financial records relating to sports wagering, including auditing requirements, standards for the daily counting of a licensee's gross receipts from sports wagering, and standards to ensure that internal controls are followed;

c. Standards for the use and distribution of monies from the Compulsive Gaming Prevention Fund shall include, but not be limited to, research, detection, and prevention of compulsive gaming, the implementation of treatment and recovery programs, or services related to compulsive gaming in this state;

d. Standards concerning the detection and prevention of compulsive gaming including, but not limited to, requirements to prominently display information regarding compulsive gaming on all online sports wagering platforms and promotions;

e. Requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;

f. Standards for licensees and sports wagering operators to report to the Commission and the sports governing bodies information related to: abnormal betting activity or patterns that may indicate a concern with the integrity of a sporting event or events; suspicious or illegal betting activities if known to the applicable licensee or sports wagering operator; and any other conduct that corrupts a betting outcome of a sporting event or events for purposes of financial gain, including match fixing;

g. Standards for any sports governing body to submit to the Commission a written request to restrict, limit, or exclude a certain type, form, or category of sports betting with respect to a sporting event of that sports governing body, if the applicable sports governing body believes that such type, form, or category of sports wagering with respect to the sporting event of the sports governing body may undermine the integrity or perceived integrity of the applicable sports governing body or sporting events of the applicable sports governing body.

These standards shall also require the Commission to request comment from sports wagering operators on all requests made pursuant to this paragraph and after giving due consideration to all comments received, the Commission shall, upon a demonstration of good cause from the applicable sports governing body that such type, form, or category of sports betting is likely to undermine the integrity or perceived integrity of such body or sporting events of the applicable sports governing body, grant the request.

These standards shall require the Commission to respond to a request concerning a sporting event before the start of the event, or, if it is not feasible to respond before the start of the event, no later than 7 days after the request is made, and if the Commission determines that the applicable sports governing body is more likely than not to prevail in successfully demonstrating good cause for its request, the Commission may provisionally grant the request of the applicable sports governing body pending the Commission's final determination thereon. Unless the Commission provisionally grants the request, sports wagering operators may continue to offer sports betting and accept bets on the covered sporting event pending a final determination by the Commission;

h. Requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;

i. Standards for the regulation of suppliers of sports wagering goods, services, software, or any other components necessary for the creation of sports wagering markets and determination of wager outcomes;

j. Standards for the implementation of responsible gaming programs, including using commercially reasonable efforts to verify that a person placing a bet on a sporting event is of the legal minimum age for placing such bet, displaying a hyperlink on its online sports wagering platform to responsible gaming information, allowing individuals to voluntarily exclude themselves from placing bets with the operator through a process established by the Commission, and allowing persons to place limits on their time, deposit, or bet limits in a daily, weekly, or monthly manner;

k. Establishing fines, placing licensees on probation, and revoking licenses for violations of this section. The Commission may impose fines upon any person holding, or required to hold, a license or approval under this section or the rules subsequently adopted. Fines shall not exceed \$50,000 per violation or \$100,000 resulting from violation of the same occurrence of events. The Commission shall promulgate rules relating to procedures for disciplinary hearings, including that any such decision may be appealed to circuit court;

l. Establishing a start date for all sports wagering that is not later than December 1, 2025. No sports wagering, either retail or mobile, shall be offered in the state before such start date established by the Commission. No category of license shall be given an earlier launch date over any other category of license; and

m. Prohibiting all sports wagering activity, including sports wagering promotional and advertising activity, within a sports district, unless approved by the professional sports team that plays its home games within the district, except such rules shall not prohibit any licensee from offering sports wagering through an online sports wagering platform to persons physically located within a sports district.

10. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports wagering conducted by each licensee and each sports wagering operator acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in this state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(1) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(2) the greater of 10% of such annual tax revenues or \$5,000,000 to the Compulsive Gaming Fund.

c. Such revenues shall not be included within the definition of “total state revenues” in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

11. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.

12. All wagers authorized under this section must be initiated, made, or otherwise placed by a bettor while physically present within this state. The intermediate routing of electronic data related to lawful intrastate wagers authorized under this section shall not determine the location or locations in which the bet is initiated, transmitted, received, or otherwise made. Each online sports wagering operator shall use commercially reasonable geolocation and geofencing technology to ensure that it accepts bets only from customers who, at the time of placing the bet, are physically present in this state.

13. a. An individual wagering in this state shall establish an online sports wagering account with an online sports wagering operator:

(1) over the Internet;

(2) through an online sports wagering platform; or

(3) through other means approved by the Commission.

b. An individual wagering in this State shall not register more than one account with each online sports wagering platform. Mobile licensees shall use commercially reasonable means to ensure that each customer is limited to one account per platform.

c. Permissible methods of funding and withdrawal for accounts include, but are not limited to, credit cards, debit cards, gift cards, reloadable prepaid cards, free and promotional credit, automated clearing house transfers, online and mobile payment systems that support online money transfers, and wire transfers. The Commission may approve additional funding and withdrawal methods including, but not limited to, cash deposits at approved locations and secure cryptocurrencies.

14. a. A sports wagering operator shall use commercially and technologically reasonable means to ensure marketing and advertisements do not purposefully target individuals who have self-excluded from placing bets on sporting events.

b. A sports wagering operator shall employ commercially reasonable methods to ensure that advertisements for sports betting:

(1) do not purposefully target minors;

(2) are not false, misleading, or deceptive to a reasonable consumer; and

(3) clearly and conspicuously disclose the material terms of any promotional offer in the advertisement. Any promotion or advertisement must provide the consumer with the full and complete terms of a promotion by providing a website, or other location, in the promotional advertisement, that directs the viewer to where the full and complete promotional terms can be viewed. This may be satisfied by the promotional advertisement containing a hyperlink that takes the viewer directly to the full and complete offer and terms.

15. There is hereby created in the state treasury the “Compulsive Gaming Prevention Fund”, which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall be utilized by the Commission for the purposes of:

a. providing counseling and other support services for compulsive and problem gamblers;

b. developing and implementing problem gaming treatment and prevention programs; and

c. providing grants to supporting organizations that provide assistance to compulsive gamblers.

16. As used in this section the following terms shall mean:

a. “Adjusted gross revenue,” the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

(1) All cash and cash equivalents paid out as winnings to sports wagering customers

(2) The actual costs paid by a licensee for anything of value provided to and redeemed by customers, including merchandise or services distributed to sports wagering customers to incentivize sports wagering;

(3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee's customers, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering customers

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the licensee shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. "Commission," means the Missouri Gaming Commission;

c. "Excursion gambling boat," means an excursion gambling boat or floating facility as described in Article III, Section 39(e);

d. "License," means any retail license or mobile license.

e. "Licensee," means the holder of any retail or mobile license.

f. "Mobile license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. "Online sports wagering platform," means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate mobile sports wagering.

h. "Professional sports team," means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women's National Basketball Association, or the National Women's Soccer League.

i. "Retail license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. "Sports district," means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. "Sports wagering," means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or any other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events.

Sports wagering shall not include:

(1) a fantasy sports contest comprising multiple participants competing against one another in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. A fantasy sports contest operator shall not qualify as a "participant" for purposes of this section; and

(2) wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant; and

(3) wagering on youth or high school events.

l. "Sports wagering operator," means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

m. "Tier one sports wager," means a sports wager that is determined solely by the final score or final outcome of the sporting event and is placed before the sporting event has begun.

n. "Tier two sports wager," means a sports wager that is not a tier one sports wager.

17. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

18. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-158)**

Subject

Initiative petition from Alixandra Cossette regarding a proposed constitutional amendment to Article III. (Received October 4, 2023)

Date

October 24, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **State Auditor's office**, and the **Missouri Gaming Commission**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-158 and determined there is no measurable impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated they defer to the fiscal determination of the gaming commission.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health (DMH)** indicated this petition would modify Article III, Section 39(g) of the Missouri Constitution legalizing sports wagering in Missouri. Implementation of the initiative petition may result in increased demand for DMH services due to increased access to gambling opportunities but does not appear to mandate any individual to receive treatment which will remain voluntary.

The initiative petition does not appear to create an additional fiscal impact to DMH unless the number of consumers increases and requires additional services to be provided by DMH.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-158 proposing to amend Article III.

Officials from the **Department of Revenue** indicated after thorough review, the Department's response to this initiative petition:

IP 24-158 attempts to create a sports wagering program in the state of Missouri. It appears it wants the Missouri Gaming Commission (Commission) to regulate the sports betting.

Sections 39(g)2 – 39(g)5. requires that a retail license be offered to certain organizations to allow for sports betting. Only licensed organizations will be allowed to offer sports betting. It appears it would allow each of the current 13 excursion gambling boats and the 6 current professional sports teams in Missouri to apply for a sports betting retail license. For purposes of the fiscal note they will assume all these groups apply for the sports betting retail license. Section 39(g)6 allows the Commission to set the fee for the retail license up to \$250,000. For purposes of the fiscal note only, they will assume that the Commission sets the fee at the full amount allowed and therefore the retail licenses could potentially generate \$4,750,000 $[(13 \text{ boats} * \$250,000) + (6 \text{ teams} * \$250,000)]$ in the first year and the same in the fifth year due to renewal fees.

The Department of Revenue (Department) notes while the proposal appears to allow the Commission to set the retail license fee amount and to issue the licenses, it does not give the Commission the necessary authority to actually collect the retail license fee or to deposit the fees into any state fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears these retail license fees will not generate any revenue to the state, the Commission, or to the Compulsive Gaming Prevention Fund.

Section 39(g)4.(c) allows the Commission to issue not more than 3 mobile license to certain organizations in the state. It allows the Commission to set the mobile license fee at up to \$500,000. The Department is unaware of the number of organizations that would apply for this mobile license and would defer to the Commission for an estimate of that number. However, the Department notes that while the proposal appears to allow the Commission to set the mobile license fee amount and to issue the licenses, it does not give the Commission the necessary authority to actually collect the mobile license fee or to deposit the fees into any state fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears these mobile license fees will not generate any revenue to the state, the Commission, or to the Compulsive Gaming Prevention Fund.

Section 39(g)8 says that all fees prescribed by the Commission and collected by the state shall be appropriated as identified in the proposal. It should be noted that the Commission is not expressly authorized under this proposal to collect any of the fees described in this proposal nor is any other agency expressly authorized to collect the fees under these sections. This proposal requires the assessment of fees but does not require the fees remittance. Therefore, these sections will not generate any revenue to the state, the Commission or to the Compulsive Gaming Prevention Fund.

Section 39(g)9 provides the Commission rule making authority, limited to certain delineated items. Collection of fees and/or the taxes outlined in the proposal is not one of

them. They are allowed to create rules on the use of the funds in the Compulsive Gaming Prevention Fund but not for its collection. Since no money is to be remitted by the sports betting retail or mobile licensees, it appears this authority may not be needed.

Section 39(g)10 appears to impose a 10% wagering tax on the adjusted gross revenue of the licensee. The Department defers to the Commission for an estimate of the tax that would be collected from the 10% sports betting tax.

This section requires collection of the 10% sports betting tax but does not require remittance of the tax to the Department, Commission or any other state agency. Without the identification of an agency to collect the tax, no tax can be collected. Therefore, it appears this section will not generate any revenue to the state, the Commission or to the Compulsive Gaming Prevention Fund.

Should the Department be asked to collect the taxes generated under this proposal, it was not provided rulemaking authority in which to do it. In addition, the Department expects to have an administrative fiscal impact. Excursion gambling boats currently remit their gambling taxes they collect nightly. The Department would want to create a system similar to the existing gambling tax system. The Department estimates such a system would cost \$100,415 (\$95 per hour * 1,057 hours work). The Department would also need 1 Associate Customer Service Representative with an annual salary of \$36,628 to process payments and reports.

Section 39(g)15 creates the Compulsive Gaming Prevention Fund. This fund appears to duplicate the already existing Compulsive Gamblers Fund (0249) created in Section 313.842 RSMo.

The Department notes that the Sports districts definition may include more than intended. Section 16(j) explains that "sports district" includes any Missouri stadium with a capacity over 11,500 that operates as home for one or more "professional sports team". It also extends to the surrounding area within 400 yards of such premises. Section 16(h) which defines "professional sports team" includes both Major League Soccer (MLS) and National Women's Soccer League (NWSL). The Department notes that CITYPARK, which is home to the MLS team the St. Louis City SC is in downtown St. Louis. The 400 yard extension will potentially cover multiple streets with private retail and residential locations. Additionally, the planned KC Current Stadium, home to the NWSL team the Kansas City Current will also be located in close proximity to private locations. Built within the Berkley Riverfront Park, the stadium will also be next to a public park.

Summary:

Due to the wording in this IP, the Department of Revenue assumes this IP will not generate any revenue to the state.

Officials from the **Department of Public Safety - Office of the Director** indicated:

The Missouri State Highway Patrol anticipates the need for two (2) additional full-time employees (FTE) to conduct background investigations and the subsequent renewals for sports wagering vendors, along with four (4) additional FTE for enforcement activities. Expenses related to the six (6) FTE would be paid from the Gaming Fund (0286). One-time and ongoing expenses, shown below, would include salary, fringe, vehicles, gasoline, and related equipment. The Patrol's response below is applicable for each of the initiative petitions.

Salary:

Position Title: Sergeant (V07005)
Annual Salary: \$99,648
Total Cost for Salaries: \$597,888

Fringe:

Annual Cost per Position: \$85,637
Total Fringe Amount: \$513,822

Expense & Equipment:

Initial Costs: \$501,330
Ongoing Costs: \$130,956

Total Cost for Salaries, Fringe, & Associated Equipment:

Initial Cost: \$1,613,040
Ongoing Costs: \$1,242,666

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-158 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for initiative petition 24-158.

Officials from the **Office of Administration** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-158 a proposed constitutional amendment to Article III, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-158 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-158 proposing to amend Article III.

Officials from **St. Louis County** indicated the initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated this will have a fiscal impact to their college. Unknown impact at this time due to revenues and expenses being unknown.

Officials from **University of Missouri** indicated the University of Missouri System does not expect cost to exceed \$100,000.

Official from **St. Louis Community College** indicated they have reviewed the petition initiative and cannot determine the effect on the college since no estimate of revenues has been made. Their response in no way assesses the merits of the petition on its face.

Officials from the **State Auditor's office** (SAO) indicated there would be a fiscal impact on the SAO. They believe this would create the need for a stand-alone performance audit consisting of 500 hours. 500 hours multiplied by \$90.00 per hour (current average audit cost per staff hour) equals a \$45,000 impact.

Officials from the **Missouri Gaming Commission** (MGC) indicated:

This proposal will affect the Missouri State Highway Patrol, Missouri Dept. of Revenue, Missouri Dept. of Mental Health, Home Dock Cities/Counties, "sports districts" located in St. Louis and Kansas City, as that term is defined in the proposal.

It may have an impact on local jurisdictions and businesses surrounding and in close proximity to the "sports districts" located in St. Louis and Kansas City areas, as that term is defined in the proposal.

The MGC anticipates licensees to pay license fees and renewal fees to the MGC in order to regulate and manage sports wagering in Missouri. It also imposes certain taxes be paid by licensees based on their adjusted gross revenue.

If this initiative petition passes, the Missouri Gaming Commission (MGC) estimates needing fifteen new FTE positions, which would result in an initial cost to the MGC of \$1,786,582.86 (including salary, fringe, supplies, equipment, and travel/lodging related to job performance of those additional employees), in addition to approximately \$2,182,431.33, which represents 7.7% of the MGC existing budget each year (to cover the costs of MGC and MSHP Gaming Division staff plus expenses needed to license and regulate sports wagering) for a total initial cost of \$3,969,014.17. Additional costs included

in this estimate may also encompass those associated with the development and implementation of responsible gambling programs. The total annual ongoing personnel cost, after the first year, is estimated to be \$3,910,738.87.

The MGC and the Missouri State Highway Patrol (MSHP) currently have a Memorandum of Understanding (MOU) in place which states that the MSHP will provide background and criminal and regulatory investigation and enforcement support to the MGC to assist it in carrying out its duties, which results in these additional costs.

The MGC estimates a total of 19 applicants for retail sports wagering licenses, to include the 13 current excursion gambling boats, plus 6 “sports districts” located in St. Louis and Kansas City areas, as that term is defined in the proposal. Initiative 24-158, Article III, Section 39(g).4 allows for the excursion gambling boat owners and the professional teams to apply for mobile licenses, in addition to three mobile licenses to untethered sports wagering operators, for a total of 15 mobile licenses.

Based on the number of sports wagering licenses, the MGC estimates collection of fees approximately \$12.25 million the first year and every fifth year of operation. Pursuant to Section 39(g).7 the fees would be utilized for reimbursement of expenses incurred by the MGC to regulate sports wagering. Any remaining fees will be deposited into the Compulsive Gambling Prevention Fund. Pursuant to Section 39(g).16 a wagering tax of 10% is imposed based on adjusted gross revenue. Annual revenues will be appropriated to elementary, secondary and higher education only after the annual tax revenues are used to reimburse expenses incurred by MGC and to fund the Compulsive Gambling Prevention Fund at the greater of 10% of annual tax revenues or \$5,000,000 to the Compulsive Gambling Fund.

In calculating tax revenue estimates, the Missouri Gaming Commission used the sports wagering data from a comparable state, Indiana, due to it having similar population, number of casinos, geographical proximity and other demographics as Missouri. Indiana’s total adjusted receipts from sports wagering, which includes both retail (in-person) and online, was \$84,969,839 for 2020, \$240,503,973 for 2021, and \$328,639,984 for 2022. Assuming that the total adjusted gross revenue for sports wagering in Missouri will be comparable to that of Indiana, the Gaming Commission estimates that total adjusted gross revenue for sports wagering in Missouri will be \$63,514,955 for the first year, \$179,776,720 for the second year, \$245,658,388 for the third year, and \$266,539,351 for the fourth year (fourth year estimate is based on 8.5% growth from the previous year per a study completed by Eilers & Krejcik). In determining the aforementioned estimates, a .25% deduction for excise tax and a 25% deduction for promotional wagering were made to Missouri’s total adjusted gross revenue from sports wagering due to the initiative’s definition of adjusted gross revenue including such deductions for sports wagering, whereas Indiana’s definition does not. In addition, the term of adjusted gross revenue includes deducting voided or cancelled wagers, uncollectible receivables, and actual costs for anything of value provided to the patron, but such deduction was not made in determining the aforementioned tax revenue estimates, because Indiana’s adjusted gross receipts already include a 2% deduction for such, which the Missouri Gaming Commission

estimates will be a similar amount in Missouri. Thus, using the total adjusted gross revenue for sports wagering in Missouri estimates, the Missouri Gaming Commission estimates that the revenue from the Gaming Tax (10% of Adjusted Gross Receipts) on sports wagering will be \$6,351,495.47 for the first year, \$17,977,671.98 for the second year, \$24,565,838.80 for the third year, \$26,653,935.10 for the fourth year, and \$28,919,519.62 for the fifth year. These estimates, however, are uncertain based on the inclusion of a deduction for “any federal tax” with no corresponding definition or explanation as to what that would include.

Based on the licensing and renewal fees for sports wagering applicants and the taxes on the adjusted gross revenue the total amount of fees and taxes collected may be sufficient to cover the Missouri Gaming Commission’s costs to license and regulate sports wagering, however, that is dependent on the total amount of deductions applied to the adjusted gross revenue

Technical Notes:

Section 4(c) – It is the understanding of the Missouri Gaming Commission (the “Commission”) that this section permits a certain number of mobile licenses that would be untethered from any casino or sports team location or district. Such allowance would potentially be in conflict with Article III, Section 39(e) of the Missouri Constitution, which permits gambling upon the Missouri or Mississippi Rivers only (or in artificial spaces that contain water and are within 1000 feet of the closest edge of the main channel).

Section 6(a) and 6(b) – These sections specify the fees for both (a) retail and (b) mobile licenses. Retail license applicants shall be required to pay a license fee of \$250,000 with a license renewal fee of \$250,000 every five (5) years. Mobile license applicants shall be required to pay a license fee of \$500,000 with a license renewal fee of \$500,000 every five (5) years. To the extent that other language in the petition proscribes allocation of the fees, there is concern that the licensing fees will not cover the expenses of the Missouri Gaming Commission (the “Commission”) during years in which licensing fees or renewals are not collected (i.e., years two, three, and four). These sections are also not clear as to where the license fees and renewal fees are to be deposited. The Commission suggests explicitly requiring fees to be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 8 – This section describes appropriation for the fees collected by the Commission. Section 8 requires that the fees first be used to reimburse the Commission for their reasonable expenses incurred to regulate sports wagering with the remaining fees being deposited into the Compulsive Gambling Prevention Fund. This section raises the question of where the fee monies are being deposited in the first instance if the language requires reimbursement to the Commission. Currently, fees for licensees are deposited with the Missouri Gaming Commission Fund and appropriated accordingly after the Commission’s reasonable expenses have been satisfied. The process by which the Commission is reimbursed is not clear in the current petition, nor is it clear in general how the funds will

be dispersed. The Commission suggests explicitly requiring fees to be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 9(k) – This section proscribes the maximum fine that the Commission could impose for violations of the laws and rules promulgated for sports wagering in the State. Historically, the Commission has had broad discretion to discipline operators for violations of statute and rules and would suggest that this continue.

Section 10 – This section requires that a 10% tax be imposed upon the adjusted gross revenue received from sports wagering by each licensee, to be appropriated for elementary, secondary, and higher education, and to be paid after appropriations for the Commission's reasonable expenses and contributions to the Compulsive Gambling Prevention Fund of the greater of 10% of annual tax revenues or \$5,000,000. In years where the Commission does not collect renewal fees, licensing fees will be insufficient to meet the Commission's reasonable expenses and would thus require the Commission to rely upon tax funds that would otherwise be appropriated to education in the state of Missouri. Section 10 also raises the question of whether an annual 10% or \$5,000,000 contribution to the Compulsive Gambling Prevention Fund is required regardless of the balance of the Fund.

Section 11 – This section requires that licensees maintain in the state, or other location approved by the Commission and consistent with federal law, a computer server or servers used to receive transmissions of requests to place wagers and that transmit acceptance of those requests. Under current federal law, the servers would only be intrastate. The Commission is also aware of a potential conflict between the petition and Article III, Section 39 regarding the location of the servers within the state.

Section 15 – Section 15 requires that there will be the Compulsive Gambling Prevention Fund created in the state treasury which shall consist of the taxes and fees collected pursuant to the petition. The section is not clear if the Compulsive Gambling Prevention Fund shall contain only the funds specifically directed to the Fund, or if the entirety of fees and taxes will be deposited into this fund in the first instance for later reimbursement and appropriation. This concern mirrors the notes related to Section 8. Further, a compulsive gambling fund was previously authorized under Section 313.842, RSMo. The language here is not clear as to whether the Fund contemplated in this section is a separately established fund, or if it adds to or changes the existing statute. Additionally, this Section invests in the Commission the oversight into use of the Fund for counseling, treatment programs, and grants for compulsive gambling prevention. This oversight would potentially be better accomplished by the Department of Mental Health with their qualifications in understanding Gambling Disorders under the Diagnostic and Statistical Manual (DSM) V.

Section 16(a) – This section states that the definition of adjusted gross revenue (as related to the wagering tax of 10% imposed in Section 10) is the total of all cash or cash equivalents received by a licensee from sports wagering minus (1) all cash and cash equivalents paid out as winnings to patrons, (2) the actual costs paid by a licensee for anything of value provided to and redeemed by patrons, including merchandise or services distributed to

sports wagering patrons to incentivize sports wagering, (3) voided or cancelled wagers, (4) the costs of free play or promotional credits provided to and redeemed by the applicable licensee's patrons, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month, (5) any sums paid as a result of any federal tax, including federal excise tax, and (6) uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering patrons. Section 16(a) also states in (7) that if the amount of adjusted gross receipts in a calendar month is a negative figure, the certificate holder shall remit no sports wagering tax for that calendar month and any negative receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

1. Section 16(a)(4) would allow an operator to deduct up to 25% of the gross costs of promotional credits and free play. As a result, the Commission anticipates that operators will be permitted to deduct amounts to the extent the operator pays zero gaming taxes for sports wagering.
2. Section 16(a)(5) is not clear as to whether "any federal tax" includes taxes from any jurisdiction or just federal taxes imposed from business in the State of Missouri. Further, by using the language contained in the present initiative petition ("*any* sums paid as a result of *any* federal tax"), the provision appears to permit a sports wagering operator to deduct its federal income tax, its federal employment tax, its federal excise tax, and any other federal tax when determining its adjusted gross receipts. If a sports wagering operator is permitted to make such deductions, the Commission anticipates that some operators may have no adjusted gross receipts on which to pay gaming tax. In other words, the Commission anticipates that by permitting such deductions, some operators will pay no gaming taxes on sports wagering.
3. Section 16(a)(7) appears as if it needs to be its own separate section independent from Sections 16(a)(1) through (6), as it does not define or identify deductions from gross revenue.
4. The Commission anticipates that the totality of the deductions identified in Sections 16(a)(1) through (6) will result in sports wagering licensees showing negative adjusted gross revenues and therefore paying no sports wagering tax. This would in turn impact the ability of the Commission to meet its reasonable expenses as well as limit or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri. Additionally, the carryover provisions in Section 16(a)(7) would further impact the ability of the Commission to meet its reasonable expenses and further impact or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri.

MGC officials further indicated the projections in the spreadsheets and fiscal impact response are based on estimates from other jurisdictions and the impact of the taxes collected in other jurisdictions comparable to the proposed taxes and tax deductions in Missouri. The narrative, however, also noted that operators may pay little to no taxes if they are permitted to claim deductions that would be in excess of their adjusted gross revenue. Such deductions would potentially be permitted under the language of these petitions, particularly with respect to deductions for promotional or free play and deductions for any federal tax. An example of this is Kansas. In February 2023, Kansans wagered more than \$194 million in sports bets. The state, however, received \$1,134 in state tax revenue due to language permitting operators to deduct free play or promotional credits before assessing their state taxes. Some operators had not paid any state taxes through the first quarter of 2023 due to the deductions they were permitted to claim. The link to this information is at the end of the response.

The projected revenues in the response provided are based on what the MGC can estimate from a strictly numbers perspective. These numbers, however, are subject to a wide margin based on the uncertainty of operators' abilities to claim deductions consistent with the language in these petitions.

<https://wichitabeacon.org/stories/2023/06/14/loophole-in-kansas-sports-betting-law-helps-companies-avoid-tax/>

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and the State Technical College of Missouri.**

Fiscal Note Summary

State governmental entities estimate onetime costs of \$660,000, ongoing annual costs of at least \$5.2 million, and initial license fee revenue of \$12.25 million. Because the proposal allows for deductions against sports gaming revenues, they estimate unknown tax revenue ranging from \$0 to \$28.9 million annually. Local governments estimate unknown revenue.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

RECEIVED
OCT 04 2023
STATE AUDITORS OFFICE

ELECTIONS DIVISION
(573) 751-2301

October 4, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article III, version 4 (2024-157)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on October 4, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____, I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission pursuant to Article III, Section 39(g) may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. A licensee shall not offer sports wagering to individuals who are under twenty-one years of age.

4. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

5. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control. In the application, the Commission shall require applicants to disclose the identity of all of the following:

a. The applicant's principal owners who directly own 10% or more of the applicant;

b. Each holding, intermediary, or parent company that directly owns 15% or more of the applicant; and

c. The applicant's board appointed chief executive officer and chief financial officer, or the equivalent individuals, as determined by the Commission.

6. Retail and mobile license applicants shall be required to pay a license fee as follows:

a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.

b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.

7. a. A license for sports wagering shall not be assignable or transferable without approval of the Commission. Such approval shall not be unreasonably withheld.

b. A license shall authorize a licensee to offer sports wagering under not more than one sports wagering operator brand, provided, however, that such licensee shall also be permitted, but not required, to use the brand of a professional team or excursion gambling boat pursuant to a partnership with such entity. Notwithstanding any other provision of law to the contrary and subject to approval by the Commission, a person or entity may hold and operate more than one license under distinct sports wagering operator brands, regardless of whether multiple brands are owned by the same parent entity.

c. Commercial agreements between an excursion gambling boat or a professional sports team and a sports wagering operator shall be submitted to the Commission as agreed to by the contracting parties. The Commission shall not prescribe any terms or conditions that are required to be included into such commercial agreements. A sports governing body or professional sports team may enter into commercial agreements with sports wagering operators or other entities in which such sports governing body or professional sports team may share in the amount wagered on sporting events of such sports governing body or professional sports team. A professional sports team may grant any such rights provided under this paragraph to its affiliate. Neither a sports governing body nor a professional sports team, nor such team's affiliate, is required to obtain a license or any other approval from the Commission to lawfully accept such amounts.

d. Each mobile licensee shall determine, set, and display applicable lines, point spreads, odds, or other information pertaining to online sports wagering.

e. Any submission to the Commission under this section, including all documents, reports, and data submitted therewith, that contain proprietary information, trade secrets, financial information, or personal information about any person or entity shall be treated in the same confidential manner as submissions by other licensees of the Commission and shall not be subject to disclosure pursuant to Chapter 610 RSMo.

8. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:

a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and

b. to the extent all reasonable expenses incurred by the Commission have been reimbursed, the remaining fees shall be deposited in the Compulsive Gaming Prevention Fund.

9. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce commercially reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall examine the rules implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework, including, but not limited to:

a. Standards governing the security and integrity of sports wagering, including requiring the use of official league data on the terms and conditions set forth below from each applicable sports governing body headquartered in the United States solely for the purposes of determining the outcome of tier two sports wagers on a professional athlete or sporting event, but only if made available to licensees on commercially reasonable terms. Sports wagering operators may use any data source for determining the results of any and all tier one sports wagers on any and all

sporting events, and the results of any and all tier two sports wagers on sporting events of an organization that is not headquartered in the United States.

(1) A sports governing body may notify the Commission that it desires sports wagering operators to use official league data to settle tier two sports wagers on sporting events of such sports governing body. Such notification shall be made in the form and manner the Commission may require. The Commission shall notify each sports wagering operator of a sports governing body's notification within five days of the Commission's receipt of such notification. If a sports governing body does not notify the Commission of its desire to supply official league data, a sports wagering operator may use any data source for determining the results of any and all tier two sports wagers on sporting events of such sports governing body.

(2) Within 60 days of the Commission notifying each sports wagering operator of a sports governing body's notification to the Commission, or such longer period as may be agreed between the sports governing body and the applicable sports wagering operator, sports wagering operators shall use only official league data to determine the results of tier two sports wagers on sporting events of that sports governing body, unless:

(a) The sports governing body or its designee cannot provide a feed of official league data to determine the results of a particular type of tier two sports wager, in which case sports wagering operators may use any data source for determining the results of the applicable tier two sports wager until such time as such a data feed becomes available from the sports governing body on commercially reasonable terms and conditions;

(b) A sports wagering operator can demonstrate to the Commission that the sports governing body or its designee will not provide a feed of official league data to the sports wagering operator on commercially reasonable terms and conditions; or

(c) The sports governing body or its designee does not obtain the necessary supplier approvals to provide official league data to sports wagering operators to determine the results of tier two sports wagers, if and to the extent required by law.

(3) The following is a non-exclusive list of factors that the Commission may consider in evaluating official league data is being offered on commercially reasonable terms and conditions for the purposes of paragraphs (a) and (b) of subsection (2):

(a) The availability of a sports governing body's tier two official league data to a sports wagering operator from more than one authorized source;

(b) Market information, including, but not limited to, price and other terms and conditions, regarding the purchase by sports wagering operators of comparable data for the purpose of settling sports wagers in this state and other jurisdictions;

(c) The nature and quantity of data, including the quality and complexity of the process utilized for collecting such data; and

(d) The extent to which sports governing bodies or their designees have made data used to settle tier two bets or wagers available to operators and any terms and conditions relating to the use of that data.

(4) Notwithstanding anything set forth to the contrary herein, including without limitation subparagraph (3), during the pendency of the Commission's determination as to whether a sports governing body or its designee will provide a feed of official league data on commercially reasonable terms, a sports wagering operator may use any data source for determining the results of any and all tier two sports wagers. The Commission's determination shall be made within 120 days of the sports wagering operator notifying the Commission that it desires to demonstrate that the sports governing body or its designee will not provide a feed of official league data to the sports wagering operator on commercially reasonable terms.

b. Standards concerning a licensee's books and financial records relating to sports wagering, including auditing requirements, standards for the daily counting of a licensee's gross receipts from sports wagering, and standards to ensure that internal controls are followed;

c. Standards for the use and distribution of monies from the Compulsive Gaming Prevention Fund shall include, but not be limited to, research, detection, and prevention of compulsive gaming, the implementation of treatment and recovery programs, or services related to compulsive gaming in this state;

d. Standards concerning the detection and prevention of compulsive gaming including, but not limited to, requirements to prominently display information regarding compulsive gaming on all online sports wagering platforms and promotions;

e. Requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;

f. Standards for licensees and sports wagering operators to report to the Commission and the sports governing bodies information related to: abnormal betting activity or patterns that may indicate a concern with the integrity of a sporting event or events; suspicious or illegal betting activities if known to the applicable licensee or sports wagering operator; and any other conduct that corrupts a betting outcome of a sporting event or events for purposes of financial gain, including match fixing;

g. Standards for any sports governing body to submit to the Commission a written request to restrict, limit, or exclude a certain type, form, or category of sports betting with respect to a sporting event of that sports governing body, if the applicable sports governing body believes that such type, form, or category of sports wagering with respect to the sporting event of the sports governing body may undermine the integrity or perceived integrity of the applicable sports governing body or sporting events of the applicable sports governing body.

These standards shall also require the Commission to request comment from sports wagering operators on all requests made pursuant to this paragraph and after giving due consideration to all comments received, the Commission shall, upon a demonstration of good cause from the applicable sports governing body that such type, form, or category of sports betting is likely to undermine the integrity or perceived integrity of such body or sporting events of the applicable sports governing body, grant the request.

These standards shall require the Commission to respond to a request concerning a sporting event before the start of the event, or, if it is not feasible to respond before the start of the event, no later than 7 days after the request is made, and if the Commission determines that the applicable sports governing body is more likely than not to prevail in successfully demonstrating good cause for its request, the Commission may provisionally grant the request of the applicable sports governing body pending the Commission's final determination thereon. Unless the Commission provisionally grants the request, sports wagering operators may continue to offer sports betting and accept bets on the covered sporting event pending a final determination by the Commission;

h. Requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;

i. Standards for the regulation of suppliers of sports wagering goods, services, software, or any other components necessary for the creation of sports wagering markets and determination of wager outcomes;

j. Standards for the implementation of responsible gaming programs, including using commercially reasonable efforts to verify that a person placing a bet on a sporting event is of the legal minimum age for placing such bet, displaying a hyperlink on its online sports wagering platform to responsible gaming information, allowing individuals to voluntarily exclude themselves from placing bets with the operator through a process established by the Commission, and allowing persons to place limits on their time, deposit, or bet limits in a daily, weekly, or monthly manner;

k. Establishing fines, placing licensees on probation, and revoking licenses for violations of this section. The Commission may impose fines upon any person holding, or required to hold, a

license or approval under this section or the rules subsequently adopted. Fines shall not exceed \$50,000 per violation or \$100,000 resulting from violation of the same occurrence of events. The Commission shall promulgate rules relating to procedures for disciplinary hearings, including that any such decision may be appealed to circuit court;

l. Establishing a start date for all sports wagering that is not later than December 1, 2025. No sports wagering, either retail or mobile, shall be offered in the state before such start date established by the Commission. No category of license shall be given an earlier launch date over any other category of license; and

m. Prohibiting all sports wagering activity, including sports wagering promotional and advertising activity, within a sports district, unless approved by the professional sports team that plays its home games within the district, except such rules shall not prohibit any licensee from offering sports wagering through an online sports wagering platform to persons physically located within a sports district.

10. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports wagering conducted by each licensee and each sports wagering operator acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in this state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(1) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(2) the greater of 10% of such annual tax revenues or \$5,000,000 to the Compulsive Gaming Fund.

c. Such revenues shall not be included within the definition of “total state revenues” in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

11. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.

12. All wagers authorized under this section must be initiated, made, or otherwise placed by a bettor while physically present within this state. The intermediate routing of electronic data related to lawful intrastate wagers authorized under this section shall not determine the location or locations in which the bet is initiated, transmitted, received, or otherwise made. Each online sports wagering operator shall use commercially reasonable geolocation and geofencing technology to ensure that it accepts bets only from customers who, at the time of placing the bet, are physically present in this state.

13. a. An individual wagering in this state shall establish an online sports wagering account with an online sports wagering operator:

(1) over the Internet;

(2) through an online sports wagering platform; or

(3) through other means approved by the Commission.

b. An individual wagering in this State shall not register more than one account with each online sports wagering platform. Mobile licensees shall use commercially reasonable means to ensure that each customer is limited to one account per platform.

c. Permissible methods of funding and withdrawal for accounts include, but are not limited to, credit cards, debit cards, gift cards, reloadable prepaid cards, free and promotional credit, automated clearing house transfers, online and mobile payment systems that support online money transfers, and wire transfers. The Commission may approve additional funding and withdrawal methods including, but not limited to, cash deposits at approved locations and secure cryptocurrencies.

14. a. A sports wagering operator shall use commercially and technologically reasonable means to ensure marketing and advertisements do not purposefully target individuals who have self-excluded from placing bets on sporting events.

b. A sports wagering operator shall employ commercially reasonable methods to ensure that advertisements for sports betting:

(1) do not purposefully target minors;

(2) are not false, misleading, or deceptive to a reasonable consumer; and

(3) clearly and conspicuously disclose the material terms of any promotional offer in the advertisement. Any promotion or advertisement must provide the consumer with the full and complete terms of a promotion by providing a website, or other location, in the promotional advertisement, that directs the viewer to where the full and complete promotional terms can be viewed. This may be satisfied by the promotional advertisement containing a hyperlink that takes the viewer directly to the full and complete offer and terms.

15. There is hereby created in the state treasury the “Compulsive Gaming Prevention Fund”, which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall be utilized by the Commission for the purposes of:

a. providing counseling and other support services for compulsive and problem gamers;

b. developing and implementing problem gaming treatment and prevention programs; and

c. providing grants to supporting organizations that provide assistance to compulsive gamers.

16. As used in this section the following terms shall mean:

a. “Adjusted gross revenue,” the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

(1) All cash and cash equivalents paid out as winnings to sports wagering customers

(2) The actual costs paid by a licensee for anything of value provided to and redeemed by customers, including merchandise or services distributed to sports wagering customers to incentivize sports wagering;

(3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee’s customers, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering customers

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the licensee shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts

shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. “Commission,” means the Missouri Gaming Commission;

c. “Excursion gambling boat,” means an excursion gambling boat or floating facility as described in Article III, Section 39(e);

d. “License,” means any retail license or mobile license.

e. “Licensee,” means the holder of any retail or mobile license.

f. “Mobile license,” means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. “Online sports wagering platform,” means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate mobile sports wagering.

h. “Professional sports team,” means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women’s National Basketball Association, or the National Women’s Soccer League.

i. “Retail license,” means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. “Sports district,” means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. “Sports wagering,” means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or any other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events.

Sports wagering shall not include:

(1) a fantasy sports contest comprising multiple participants competing against one another in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. A fantasy sports contest operator shall not qualify as a “participant” for purposes of this section; and

(2) wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant; and

(3) wagering on youth or high school events.

l. “Sports wagering operator,” means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

m. “Tier one sports wager,” means a sports wager that is determined solely by the final score or final outcome of the sporting event and is placed before the sporting event has begun.

n. “Tier two sports wager,” means a sports wager that is not a tier one sports wager.

17. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

18. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-157)**

Subject

Initiative petition from Alixandra Cossette regarding a proposed constitutional amendment to Article III. (Received October 4, 2023)

Date

October 24, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **State Auditor's office**, and the **Missouri Gaming Commission**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-157 and determined there is no measurable impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated they defer to the fiscal determination of the gaming commission.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health (DMH)** indicated this petition would modify Article III, Section 39(g) of the Missouri Constitution legalizing sports wagering in Missouri. Implementation of the initiative petition may result in increased demand for DMH services due to increased access to gambling opportunities but does not appear to mandate any individual to receive treatment which will remain voluntary.

The initiative petition does not appear to create an additional fiscal impact to DMH unless the number of consumers increases and requires additional services to be provided by DMH.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-157 proposing to amend Article III.

Officials from the **Department of Revenue** indicated after thorough review, the Department's response to this initiative petition:

IP 24-157 attempts to create a sports wagering program in the state of Missouri. It appears it wants the Missouri Gaming Commission (Commission) to regulate the sports betting.

Sections 39(g)2 – 39(g)5. requires that a retail license be offered to certain organizations to allow for sports betting. Only licensed organizations will be allowed to offer sports betting. It appears it would allow each of the current 13 excursion gambling boats and the 6 current professional sports teams in Missouri to apply for a sports betting retail license. For purposes of the fiscal note they will assume all these groups apply for the sports betting retail license. Section 39(g)6 allows the Commission to set the fee for the retail license up to \$250,000. For purposes of the fiscal note only, they will assume that the Commission sets the fee at the full amount allowed and therefore the retail licenses could potentially generate \$4,750,000 $[(13 \text{ boats} * \$250,000) + (6 \text{ teams} * \$250,000)]$ in the first year and the same in the fifth year due to renewal fees.

The Department of Revenue (Department) notes while the proposal appears to allow the Commission to set the retail license fee amount and to issue the licenses, it does not give the Commission the necessary authority to actually collect the retail license fee or to deposit the fees into any state fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears these retail license fees will not generate any revenue to the state, the Commission, or to the Compulsive Gaming Prevention Fund.

Section 39(g)4.(c) allows the Commission to issue not more than 1 mobile license to certain organizations in the state. It allows the Commission to set the mobile license fee at up to \$500,000. The Department is unaware of the number of organizations that would apply for this mobile license and would defer to the Commission for an estimate of that number. However, the Department notes that while the proposal appears to allow the Commission to set the mobile license fee amount and to issue the licenses, it does not give the Commission the necessary authority to actually collect the mobile license fee or to deposit the fees into any state fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears these mobile license fees will not generate any revenue to the state, the Commission, or to the Compulsive Gaming Prevention Fund.

Section 39(g)8 says that all fees prescribed by the Commission and collected by the state shall be appropriated as identified in the proposal. It should be noted that the Commission is not expressly authorized under this proposal to collect any of the fees described in this proposal nor is any other agency expressly authorized to collect the fees under these sections. This proposal requires the assessment of fees but does not require the fees remittance. Therefore, these sections will not generate any revenue to the state, the Commission or to the Compulsive Gaming Prevention Fund.

Section 39(g)9 provides the Commission rule making authority, limited to certain delineated items. Collection of fees and/or the taxes outlined in the proposal is not one of

them. They are allowed to create rules on the use of the funds in the Compulsive Gaming Prevention Fund but not for its collection. Since no money is to be remitted by the sports betting retail or mobile licensees, it appears this authority may not be needed.

Section 39(g)10 appears to impose a 10% wagering tax on the adjusted gross revenue of the licensee. The Department defers to the Commission for an estimate of the tax that would be collected from the 10% sports betting tax.

This section requires collection of the 10% sports betting tax but does not require remittance of the tax to the Department, Commission or any other state agency. Without the identification of an agency to collect the tax, no tax can be collected. Therefore, it appears this section will not generate any revenue to the state, the Commission or to the Compulsive Gaming Prevention Fund.

Should the Department be asked to collect the taxes generated under this proposal, it was not provided rulemaking authority in which to do it. In addition, the Department expects to have an administrative fiscal impact. Excursion gambling boats currently remit their gambling taxes they collect nightly. The Department would want to create a system similar to the existing gambling tax system. The Department estimates such a system would cost \$100,415 (\$95 per hour * 1,057 hours work). The Department would also need 1 Associate Customer Service Representative with an annual salary of \$36,628 to process payments and reports.

Section 39(g)15 creates the Compulsive Gaming Prevention Fund. This fund appears to duplicate the already existing Compulsive Gamblers Fund (0249) created in Section 313.842 RSMo.

The Department notes that the Sports districts definition may include more than intended. Section 16(j) explains that "sports district" includes any Missouri stadium with a capacity over 11,500 that operates as home for one or more "professional sports team". It also extends to the surrounding area within 400 yards of such premises. Section 16(h) which defines "professional sports team" includes both Major League Soccer (MLS) and National Women's Soccer League (NWSL). The Department notes that CITYPARK, which is home to the MLS team the St. Louis City SC is in downtown St. Louis. The 400 yard extension will potentially cover multiple streets with private retail and residential locations. Additionally, the planned KC Current Stadium, home to the NWSL team the Kansas City Current will also be located in close proximity to private locations. Built within the Berkley Riverfront Park, the stadium will also be next to a public park.

Summary:

Due to the wording in this IP, the Department of Revenue assumes this IP will not generate any revenue to the state.

Officials from the **Department of Public Safety - Office of the Director** indicated:

The Missouri State Highway Patrol anticipates the need for two (2) additional full-time employees (FTE) to conduct background investigations and the subsequent renewals for sports wagering vendors, along with four (4) additional FTE for enforcement activities. Expenses related to the six (6) FTE would be paid from the Gaming Fund (0286). One-time and ongoing expenses, shown below, would include salary, fringe, vehicles, gasoline, and related equipment. The Patrol's response below is applicable for each of the initiative petitions.

Salary:

Position Title: Sergeant (V07005)
Annual Salary: \$99,648
Total Cost for Salaries: \$597,888

Fringe:

Annual Cost per Position: \$85,637
Total Fringe Amount: \$513,822

Expense & Equipment:

Initial Costs: \$501,330
Ongoing Costs: \$130,956

Total Cost for Salaries, Fringe, & Associated Equipment:

Initial Cost: \$1,613,040
Ongoing Costs: \$1,242,666

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-157 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for initiative petition 24-157.

Officials from the **Office of Administration** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-157 a proposed constitutional amendment to Article III, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-157 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-157 proposing to amend Article III.

Officials from **St. Louis County** indicated the initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated this will have a fiscal impact to their college. Unknown impact at this time due to revenues and expenses being unknown.

Officials from **University of Missouri** indicated the University of Missouri System does not expect cost to exceed \$100,000.

Official from **St. Louis Community College** indicated they have reviewed the petition initiative and cannot determine the effect on the college since no estimate of revenues has been made. Their response in no way assesses the merits of the petition on its face.

Officials from the **State Auditor's office** (SAO) indicated there would be a fiscal impact on the SAO. They believe this would create the need for a stand-alone performance audit consisting of 500 hours. 500 hours multiplied by \$90.00 per hour (current average audit cost per staff hour) equals a \$45,000 impact.

Officials from the **Missouri Gaming Commission** (MGC) indicated:

This proposal will affect the Missouri State Highway Patrol, Missouri Dept. of Revenue, Missouri Dept. of Mental Health, Home Dock Cities/Counties, "sports districts" located in St. Louis and Kansas City, as that term is defined in the proposal.

It may have an impact on local jurisdictions and businesses surrounding and in close proximity to the "sports districts" located in St. Louis and Kansas City areas, as that term is defined in the proposal.

The MGC anticipates licensees to pay license fees and renewal fees to the MGC in order to regulate and manage sports wagering in Missouri. It also imposes certain taxes be paid by licensees based on their adjusted gross revenue.

If this initiative petition passes, the Missouri Gaming Commission (MGC) estimates needing fifteen new FTE positions, which would result in an initial cost to the MGC of \$1,786,582.86 (including salary, fringe, supplies, equipment, and travel/lodging related to job performance of those additional employees), in addition to approximately \$2,182,431.33, which represents 7.7% of the MGC existing budget each year (to cover the costs of MGC and MSHP Gaming Division staff plus expenses needed to license and regulate sports wagering) for a total initial cost of \$3,969,014.17. Additional costs included

in this estimate may also encompass those associated with the development and implementation of responsible gambling programs. The total annual ongoing personnel cost, after the first year, is estimated to be \$3,910,738.87.

The MGC and the Missouri State Highway Patrol (MSHP) currently have a Memorandum of Understanding (MOU) in place which states that the MSHP will provide background and criminal and regulatory investigation and enforcement support to the MGC to assist it in carrying out its duties, which results in these additional costs.

The MGC estimates a total of 19 applicants for retail sports wagering licenses, to include the 13 current excursion gambling boats, plus 6 “sports districts” located in St. Louis and Kansas City areas, as that term is defined in the proposal. Initiative 24-157, Article III, Section 39(g).4 allows for the excursion gambling boat owners and the professional teams to apply for mobile licenses for a total of 12 mobile licenses.

Based on the number of sports wagering licenses, the MGC estimates collection of fees approximately \$10.75 million the first year and every fifth year of operation. Pursuant to Section 39(g).7 the fees would be utilized for reimbursement of expenses incurred by the MGC to regulate sports wagering. Any remaining fees will be deposited into the Compulsive Gambling Prevention Fund. Pursuant to Section 39(g).16 a wagering tax of 10% is imposed based on adjusted gross revenue. Annual revenues will be appropriated to elementary, secondary and higher education only after the annual tax revenues are used to reimburse expenses incurred by MGC and to fund the Compulsive Gambling Prevention Fund at the greater of 10% of annual tax revenues or \$5,000,000 to the Compulsive Gambling Fund.

In calculating tax revenue estimates, the Missouri Gaming Commission used the sports wagering data from a comparable state, Indiana, due to it having similar population, number of casinos, geographical proximity and other demographics as Missouri. Indiana’s total adjusted receipts from sports wagering, which includes both retail (in-person) and online, was \$84,969,839 for 2020, \$240,503,973 for 2021, and \$328,639,984 for 2022. Assuming that the total adjusted gross revenue for sports wagering in Missouri will be comparable to that of Indiana, the Gaming Commission estimates that total adjusted gross revenue for sports wagering in Missouri will be \$63,514,955 for the first year, \$179,776,720 for the second year, \$245,658,388 for the third year, and \$266,539,351 for the fourth year (fourth year estimate is based on 8.5% growth from the previous year per a study completed by Eilers & Krejcik). In determining the aforementioned estimates, a .25% deduction for excise tax and a 25% deduction for promotional wagering were made to Missouri’s total adjusted gross revenue from sports wagering due to the initiative’s definition of adjusted gross revenue including such deductions for sports wagering, whereas Indiana’s definition does not. In addition, the term of adjusted gross revenue includes deducting voided or cancelled wagers, uncollectible receivables, and actual costs for anything of value provided to the patron, but such deduction was not made in determining the aforementioned tax revenue estimates, because Indiana’s adjusted gross receipts already include a 2% deduction for such, which the Missouri Gaming Commission estimates will be a similar amount in Missouri. Thus, using the total adjusted gross revenue for sports wagering in Missouri estimates, the Missouri

Gaming Commission estimates that the revenue from the Gaming Tax (10% of Adjusted Gross Receipts) on sports wagering will be \$6,351,495.47 for the first year, \$17,977,671.98 for the second year, \$24,565,838.80 for the third year, \$26,653,935.10 for the fourth year, and \$28,919,519.62 for the fifth year. These estimates, however, are uncertain based on the inclusion of a deduction for “any federal tax” with no corresponding definition or explanation as to what that would include.

Based on the licensing and renewal fees for sports wagering applicants and the taxes on the adjusted gross revenue the total amount of fees and taxes collected may be sufficient to cover the Missouri Gaming Commission’s costs to license and regulate sports wagering, however, that is dependent on the total amount of deductions applied to the adjusted gross revenue.

Technical Notes:

Section 6(a) and 6(b) – These sections specify the fees for both (a) retail and (b) mobile licenses. Retail license applicants shall be required to pay a license fee of \$250,000 with a license renewal fee of \$250,000 every five (5) years. Mobile license applicants shall be required to pay a license fee of \$500,000 with a license renewal fee of \$500,000 every five (5) years. To the extent that other language in the petition proscribes allocation of the fees, there is concern that the licensing fees will not cover the expenses of the Missouri Gaming Commission (the “Commission”) during years in which licensing fees or renewals are not collected (i.e., years two, three, and four). These sections are also not clear as to where the license fees and renewal fees are to be deposited. The Commission suggests explicitly requiring fees to be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 8 – This section describes appropriation for the fees collected by the Commission. Section 8 requires that the fees first be used to reimburse the Commission for their reasonable expenses incurred to regulate sports wagering with the remaining fees being deposited into the Compulsive Gambling Prevention Fund. This section raises the question of where the fee monies are being deposited in the first instance if the language requires reimbursement to the Commission. Currently, fees for licensees are deposited with the Missouri Gaming Commission Fund and appropriated accordingly after the Commission’s reasonable expenses have been satisfied. The process by which the Commission is reimbursed is not clear in the current petition, nor is it clear in general how the funds will be dispersed. The Commission suggests explicitly requiring fees to be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 9(k) – This section proscribes the maximum fine that the Commission could impose for violations of the laws and rules promulgated for sports wagering in the State. Historically, the Commission has had broad discretion to discipline operators for violations of statute and rules and would suggest that this continue.

Section 10 – This section requires that a 10% tax be imposed upon the adjusted gross revenue received from sports wagering by each licensee, to be appropriated for elementary, secondary, and higher education, and to be paid after appropriations for the Commission's reasonable expenses and contributions to the Compulsive Gambling Prevention Fund of the greater of 10% of annual tax revenues or \$5,000,000. In years where the Commission does not collect renewal fees, licensing fees will be insufficient to meet the Commission's reasonable expenses and would thus require the Commission to rely upon tax funds that would otherwise be appropriated to education in the state of Missouri. Section 10 also raises the question of whether an annual 10% or \$5,000,000 contribution to the Compulsive Gambling Prevention Fund is required regardless of the balance of the Fund.

Section 11 – This section requires that licensees maintain in the state, or other location approved by the Commission and consistent with federal law, a computer server or servers used to receive transmissions of requests to place wagers and that transmit acceptance of those requests. Under current federal law, the servers would only be intrastate. The Commission is also aware of a potential conflict between the petition and Article III, Section 39 regarding the location of the servers within the state.

Section 15 – Section 15 requires that there will be the Compulsive Gambling Prevention Fund created in the state treasury which shall consist of the taxes and fees collected pursuant to the petition. The section is not clear if the Compulsive Gambling Prevention Fund shall contain only the funds specifically directed to the Fund, or if the entirety of fees and taxes will be deposited into this fund in the first instance for later reimbursement and appropriation. This concern mirrors the notes related to Section 8. Further, a compulsive gambling fund was previously authorized under Section 313.842, RSMo. The language here is not clear as to whether the Fund contemplated in this section is a separately established fund, or if it adds to or changes the existing statute. Additionally, this Section invests in the Commission the oversight into use of the Fund for counseling, treatment programs, and grants for compulsive gambling prevention. This oversight would potentially be better accomplished by the Department of Mental Health with their qualifications in understanding Gambling Disorders under the Diagnostic and Statistical Manual (DSM) V.

Section 16(a) – This section states that the definition of adjusted gross revenue (as related to the wagering tax of 10% imposed in Section 10) is the total of all cash or cash equivalents received by a licensee from sports wagering minus (1) all cash and cash equivalents paid out as winnings to patrons, (2) the actual costs paid by a licensee for anything of value provided to and redeemed by patrons, including merchandise or services distributed to sports wagering patrons to incentivize sports wagering, (3) voided or cancelled wagers, (4) the costs of free play or promotional credits provided to and redeemed by the applicable licensee's patrons, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month, (5) any sums paid as a result of any federal tax, including federal excise tax, and (6) uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports

wagering patrons. Section 16(a) also states in (7) that if the amount of adjusted gross receipts in a calendar month is a negative figure, the certificate holder shall remit no sports wagering tax for that calendar month and any negative receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

1. Section 16(a)(4) would allow an operator to deduct up to 25% of the gross costs of promotional credits and free play. As a result, the Commission anticipates that operators will be permitted to deduct amounts to the extent the operator pays zero gaming taxes for sports wagering.
2. Section 16(a)(5) is not clear as to whether “any federal tax” includes taxes from any jurisdiction or just federal taxes imposed from business in the State of Missouri. Further, by using the language contained in the present initiative petition (“*any* sums paid as a result of *any* federal tax”), the provision appears to permit a sports wagering operator to deduct its federal income tax, its federal employment tax, its federal excise tax, and any other federal tax when determining its adjusted gross receipts. If a sports wagering operator is permitted to make such deductions, the Commission anticipates that some operators may have no adjusted gross receipts on which to pay gaming tax. In other words, the Commission anticipates that by permitting such deductions, some operators will pay no gaming taxes on sports wagering.
3. Section 16(a)(7) appears as if it needs to be its own separate section independent from Sections 16(a)(1) through (6), as it does not define or identify deductions from gross revenue.
4. The Commission anticipates that the totality of the deductions identified in Sections 16(a)(1) through (6) will result in sports wagering licensees showing negative adjusted gross revenues and therefore paying no sports wagering tax. This would in turn impact the ability of the Commission to meet its reasonable expenses as well as limit or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri. Additionally, the carryover provisions in Section 16(a)(7) would further impact the ability of the Commission to meet its reasonable expenses and further impact or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri.

MGC officials further indicated the projections in the spreadsheets and fiscal impact response are based on estimates from other jurisdictions and the impact of the taxes collected in other jurisdictions comparable to the proposed taxes and tax deductions in Missouri. The narrative, however, also noted that operators may pay little to no taxes if they are permitted to claim deductions that would be in excess of their adjusted gross revenue. Such deductions would potentially be permitted under the language of these petitions, particularly with respect to deductions for promotional or free play and deductions for any federal tax. An example of this is Kansas. In February 2023, Kansans wagered more than \$194 million in sports bets. The state, however, received \$1,134 in state tax revenue due to language permitting operators to deduct free play or promotional credits before assessing their state taxes. Some operators had not paid any state taxes through the first quarter of 2023 due to the deductions they were permitted to claim. The link to this information is at the end of the response.

The projected revenues in the response provided are based on what the MGC can estimate from a strictly numbers perspective. These numbers, however, are subject to a wide margin based on the uncertainty of operators' abilities to claim deductions consistent with the language in these petitions.

<https://wichitabeacon.org/stories/2023/06/14/loophole-in-kansas-sports-betting-law-helps-companies-avoid-tax/>

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and the State Technical College of Missouri.**

Fiscal Note Summary

State governmental entities estimate onetime costs of \$660,000, ongoing annual costs of at least \$5.2 million, and initial license fee revenue of \$10.75 million. Because the proposal allows for deductions against sports gaming revenues, they estimate unknown tax revenue ranging from \$0 to \$28.9 million annually. Local governments estimate unknown revenue.



RECEIVED

OCT 04 2023

STATE AUDITORS OFFICE

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

October 4, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article III, version 3 (2024-156)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on October 4, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission pursuant to Article III, Section 39(g) may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. A licensee shall not offer sports wagering to individuals who are under twenty-one years of age.

4. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

c. The Commission shall issue not more than four mobile licenses to operate sports wagering in this state directly to qualified applicants that are sports wagering operators. Each sports wagering operator shall only be eligible for one mobile license per distinct sports wagering operator brand. For purposes of Article III, Section 39(g) brand shall refer to the name, trade name, licensed trademark, or assumed business name of the sports wagering operator. If there are more than four qualified applicants for a mobile license to be issued by the Commission directly to a sports wagering operator under this section, the Commission shall select the applicant for licensure based on the applicant's ability to satisfy the following criteria:

(1) Expertise in the business of online sports wagering;

(2) Integrity, sustainability, and safety of the applicant's online sports wagering platform;

(3) Past relevant experience of the applicant;

(4) Advertising and promotional plans to increase and sustain revenue;

(5) Ability to generate, maximize, and sustain revenues for the state;

(6) Demonstrated commitment to and plans for the promotion of responsible gaming; and

(7) Capacity to increase the number of bettors on the applicant's online sports wagering platform.

5. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control.

6. Retail and mobile license applicants shall be required to pay a license fee as follows:

a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.

b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.

7. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:

a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and

b. to the extent all reasonable expenses incurred by the Commission have been reimbursed, the remaining fees shall be deposited in the Compulsive Gaming Prevention Fund.

8. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce commercially reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall examine the rules implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework, including, but not limited to:

a. Standards governing the security and integrity of sports wagering, including requiring the use of official league data from each applicable sports governing body headquartered in the United States solely for the purposes of determining the outcome of tier two sports wagers on a professional athlete or sporting event, but only if made available to licensees on commercially reasonable terms. Sports wagering operators may use any data source for determining the results of any and all tier one sports wagers on any and all sporting events, and the results of any and all tier two sports wagers on sporting events of an organization that is not headquartered in the United States;

b. Standards for the use and distribution of monies from the Compulsive Gaming Prevention Fund shall include, but not be limited to research, detection, and prevention of compulsive gaming, the implementation of treatment and recovery programs, or services related to compulsive gaming in this state;

c. Requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;

d. Requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;

e. Establishing fines, placing licensees on probation, and revoking licenses for violations of this section. The Commission may impose fines upon any person holding, or required to hold, a license or approval under this section or the rules subsequently adopted. Fines shall not exceed

\$50,000 per violation or \$100,000 resulting from violation of the same occurrence of events. The Commission shall promulgate rules relating to procedures for disciplinary hearings, including that any such decision may be appealed to circuit court;

f. Establishing a start date for all sports wagering that is not later than December 1, 2025. No sports wagering, either retail or mobile, shall be offered in the state before such start date established by the Commission. No category of license shall be given an earlier launch date over any other category of license; and

g. Prohibiting all sports wagering activity, including sports wagering promotional and advertising activity, within a sports district, unless approved by the professional sports team that plays its home games within the district, except such rules shall not prohibit any licensee from offering sports wagering through an online sports wagering platform to persons physically located within a sports district.

9. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports wagering conducted by each licensee and each sports wagering operator acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in this state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(1) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(2) the greater of 10% of such annual tax revenues or \$5,000,000 to the Compulsive Gaming Fund.

c. Such revenues shall not be included within the definition of “total state revenues” in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

10. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.

There is hereby created in the state treasury the “Compulsive Gaming Prevention Fund”, which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall be utilized by the Commission for the purposes of:

a. providing counseling and other support services for compulsive and problem gamers;

b. developing and implementing problem gaming treatment and prevention programs; and

c. providing grants to supporting organizations that provide assistance to compulsive gamers.

11. As used in this section the following terms shall mean:

a. “Adjusted gross revenue,” the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

(1) All cash and cash equivalents paid out as winnings to sports wagering customers;

(2) The actual costs paid by a licensee for anything of value provided to and redeemed by customers, including merchandise or services distributed to sports wagering customers to incentivize sports wagering;

(3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee's customers, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering customers.

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the licensee shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. "Commission," means the Missouri Gaming Commission;

c. "Excursion gambling boat," means an excursion gambling boat or floating facility as described in Article III, Section 39(e);

d. "License," means any retail license or mobile license.

e. "Licensee," means the holder of any retail or mobile license.

f. "Mobile license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. "Online sports wagering platform," means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate mobile sports wagering.

h. "Professional sports team," means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women's National Basketball Association, or the National Women's Soccer League.

i. "Retail license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. "Sports district," means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. "Sports wagering," means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or any other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events.

Sports wagering shall not include:

(1) a fantasy sports contest comprising multiple participants competing against one another in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. A fantasy sports contest operator shall not qualify as a "participant" for purposes of this section;

(2) wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant; and

(3) wagering on youth or high school events.

l. "Sports wagering operator," means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

m. "Tier one sports wager," means a sports wager that is determined solely by the final score or final outcome of the sporting event and is placed before the sporting event has begun.

n. "Tier two sports wager," means a sports wager that is not a tier one sports wager.

12. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

13. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-156)**

Subject

Initiative petition from Alixandra Cossette regarding a proposed constitutional amendment to Article III. (Received October 4, 2023)

Date

October 24, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **State Auditor's office**, and the **Missouri Gaming Commission**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-156 and determined there is no measurable impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated they defer to the fiscal determination of the gaming commission.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health (DMH)** indicated this petition would modify Article III, Section 39(g) of the Missouri Constitution legalizing sports wagering in Missouri. Implementation of the initiative petition may result in increased demand for DMH services due to increased access to gambling opportunities but does not appear to mandate any individual to receive treatment which will remain voluntary.

The initiative petition does not appear to create an additional fiscal impact to DMH unless the number of consumers increases and requires additional services to be provided by DMH.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-156 proposing to amend Article III.

Officials from the **Department of Revenue** indicated after thorough review, the Department's response to this initiative petition:

IP 24-156 attempts to create a sports wagering program in the state of Missouri. It appears it wants the Missouri Gaming Commission (Commission) to regulate the sports betting.

Sections 39(g)2 – 39(g)5. requires that a retail license be offered to certain organizations to allow for sports betting. Only licensed organizations will be allowed to offer sports betting. It appears it would allow each of the current 13 excursion gambling boats and the 6 current professional sports teams in Missouri to apply for a sports betting retail license. For purposes of the fiscal note they will assume all these groups apply for the sports betting retail license. Section 39(g)6 allows the Commission to set the fee for the retail license up to \$250,000. For purposes of the fiscal note only, they will assume that the Commission sets the fee at the full amount allowed and therefore the retail licenses could potentially generate \$4,750,000 $[(13 \text{ boats} * \$250,000) + (6 \text{ teams} * \$250,000)]$ in the first year and the same in the fifth year due to renewal fees.

The Department of Revenue (Department) notes while the proposal appears to allow the Commission to set the retail license fee amount and to issue the licenses, it does not give the Commission the necessary authority to actually collect the retail license fee or to deposit the fees into any state fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears these retail license fees will not generate any revenue to the state, the Commission, or to the Compulsive Gaming Prevention Fund.

Section 39(g)4.(c) allows the Commission to issue not more than 4 mobile license to certain organizations in the state. It allows the Commission to set the mobile license fee at up to \$500,000. The Department is unaware of the number of organizations that would apply for this mobile license and would defer to the Commission for an estimate of that number. However, the Department notes that while the proposal appears to allow the Commission to set the mobile license fee amount and to issue the licenses, it does not give the Commission the necessary authority to actually collect the mobile license fee or to deposit the fees into any state fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears these mobile license fees will not generate any revenue to the state, the Commission, or to the Compulsive Gaming Prevention Fund.

Section 39(g)7 says that all fees prescribed by the Commission and collected by the state shall be appropriated as identified in the proposal. It should be noted that the Commission is not expressly authorized under this proposal to collect any of the fees described in this proposal nor is any other agency expressly authorized to collect the fees under these sections. This proposal requires the assessment of fees but does not require the fees remittance. Therefore, these sections will not generate any revenue to the state, the Commission or to the Compulsive Gaming Prevention Fund.

Section 39(g)8 provides the Commission rule making authority, limited to certain delineated items. Collection of fees and/or the taxes outlined in the proposal is not one of

them. They are allowed to create rules on the use of the funds in the Compulsive Gaming Prevention Fund but not for its collection. Since no money is to be remitted by the sports betting retail or mobile licensees, it appears this authority may not be needed.

Section 39(g)9 appears to impose a 10% wagering tax on the adjusted gross revenue of the licensee. The Department defers to the Commission for an estimate of the tax that would be collected from the 10% sports betting tax.

This section requires collection of the 10% sports betting tax but does not require remittance of the tax to the Department, Commission or any other state agency. Without the identification of an agency to collect the tax, no tax can be collected. Therefore, it appears this section will not generate any revenue to the state, the Commission or to the Compulsive Gaming Prevention Fund.

Should the Department be asked to collect the taxes generated under this proposal, it was not provided rulemaking authority in which to do it. In addition, the Department expects to have an administrative fiscal impact. Excursion gambling boats currently remit their gambling taxes they collect nightly. The Department would want to create a system similar to the existing gambling tax system. The Department estimates such a system would cost \$100,415 (\$95 per hour * 1,057 hours work). The Department would also need 1 Associate Customer Service Representative with an annual salary of \$36,628 to process payments and reports.

Section 39(g)10 creates the Compulsive Gaming Prevention Fund. This fund appears to duplicate the already existing Compulsive Gamblers Fund (0249) created in Section 313.842 RSMo.

The Department notes that the Sports districts definition may include more than intended. Section 11(j) explains that "sports district" includes any Missouri stadium with a capacity over 11,500 that operates as home for one or more "professional sports team". It also extends to the surrounding area within 400 yards of such premises. Section 11(h) which defines "professional sports team" includes both Major League Soccer (MLS) and National Women's Soccer League (NWSL). The Department notes that CITYPARK, which is home to the MLS team the St. Louis City SC is in downtown St. Louis. The 400 yard extension will potentially cover multiple streets with private retail and residential locations. Additionally, the planned KC Current Stadium, home to the NWSL team the Kansas City Current will also be located in close proximity to private locations. Built within the Berkley Riverfront Park, the stadium will also be next to a public park.

Summary:

Due to the wording in this IP, the Department of Revenue assumes this IP will not generate any revenue to the state.

Officials from the **Department of Public Safety - Office of the Director** indicated:

The Missouri State Highway Patrol anticipates the need for two (2) additional full-time employees (FTE) to conduct background investigations and the subsequent renewals for sports wagering vendors, along with four (4) additional FTE for enforcement activities. Expenses related to the six (6) FTE would be paid from the Gaming Fund (0286). One-time and ongoing expenses, shown below, would include salary, fringe, vehicles, gasoline, and related equipment. The Patrol's response below is applicable for each of the initiative petitions.

Salary:

Position Title: Sergeant (V07005)
Annual Salary: \$99,648
Total Cost for Salaries: \$597,888

Fringe:

Annual Cost per Position: \$85,637
Total Fringe Amount: \$513,822

Expense & Equipment:

Initial Costs: \$501,330
Ongoing Costs: \$130,956

Total Cost for Salaries, Fringe, & Associated Equipment:

Initial Cost: \$1,613,040
Ongoing Costs: \$1,242,666

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-156 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for initiative petition 24-156.

Officials from the **Office of Administration** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-156 a proposed constitutional amendment to Article III, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-156 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-156 proposing to amend Article III.

Officials from **St. Louis County** indicated the initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated this will have a fiscal impact to their college. Unknown impact at this time due to revenues and expenses being unknown.

Officials from **University of Missouri** indicated the University of Missouri System does not expect cost to exceed \$100,000.

Official from **St. Louis Community College** indicated they have reviewed the petition initiative and cannot determine the effect on the college since no estimate of revenues has been made. Their response in no way assesses the merits of the petition on its face.

Officials from the **State Auditor's office** (SAO) indicated there would be a fiscal impact on the SAO. They believe this would create the need for a stand-alone performance audit consisting of 500 hours. 500 hours multiplied by \$90.00 per hour (current average audit cost per staff hour) equals a \$45,000 impact.

Officials from the **Missouri Gaming Commission** (MGC) indicated:

This proposal will affect the Missouri State Highway Patrol, Missouri Dept. of Revenue, Missouri Dept. of Mental Health, Home Dock Cities/Counties, "sports districts" located in St. Louis and Kansas City, as that term is defined in the proposal.

It may have an impact on local jurisdictions and businesses surrounding and in close proximity to the "sports districts" located in St. Louis and Kansas City areas, as that term is defined in the proposal.

The MGC anticipates licensees to pay license fees and renewal fees to the MGC in order to regulate and manage sports wagering in Missouri. It also imposes certain taxes be paid by licensees based on their adjusted gross revenue.

If this initiative petition passes, the Missouri Gaming Commission (MGC) estimates needing fifteen new FTE positions, which would result in an initial cost to the MGC of \$1,786,582.86 (including salary, fringe, supplies, equipment, and travel/lodging related to job performance of those additional employees), in addition to approximately \$2,182,431.33, which represents 7.7% of the MGC existing budget each year (to cover the costs of MGC and MSHP Gaming Division staff plus expenses needed to license and regulate sports wagering) for a total initial cost of \$3,969,014.17. Additional costs included

in this estimate may also encompass those associated with the development and implementation of responsible gambling programs. The total annual ongoing personnel cost, after the first year, is estimated to be \$3,910,738.87.

The MGC and the Missouri State Highway Patrol (MSHP) currently have a Memorandum of Understanding (MOU) in place which states that the MSHP will provide background and criminal and regulatory investigation and enforcement support to the MGC to assist it in carrying out its duties, which results in these additional costs.

The MGC estimates a total of 19 applicants for retail sports wagering licenses, to include the 13 current excursion gambling boats, plus 6 “sports districts” located in St. Louis and Kansas City areas, as that term is defined in the proposal. Initiative 24-156, Article III, Section 39(g).4 allows for the excursion gambling boat owners and the professional teams to apply for mobile licenses, in addition to four mobile licenses to untethered sports wagering operators, for a total of 16 mobile licenses.

Based on the number of sports wagering licenses, the MGC estimates collection of fees approximately \$12.75 million the first year and every fifth year of operation. Pursuant to Section 39(g).7 the fees would be utilized for reimbursement of expenses incurred by the MGC to regulate sports wagering. Any remaining fees will be deposited into the Compulsive Gambling Prevention Fund. Pursuant to Section 39(g).11 a wagering tax of 10% is imposed based on adjusted gross revenue. Annual revenues will be appropriated to elementary, secondary and higher education only after the annual tax revenues are used to reimburse expenses incurred by MGC and to fund the Compulsive Gambling Prevention Fund at the greater of 10% of annual tax revenues or \$5,000,000 to the Compulsive Gambling Fund.

In calculating tax revenue estimates, the Missouri Gaming Commission used the sports wagering data from a comparable state, Indiana, due to it having similar population, number of casinos, geographical proximity and other demographics as Missouri. Indiana’s total adjusted receipts from sports wagering, which includes both retail (in-person) and online, was \$84,969,839 for 2020, \$240,503,973 for 2021, and \$328,639,984 for 2022. Assuming that the total adjusted gross revenue for sports wagering in Missouri will be comparable to that of Indiana, the Gaming Commission estimates that total adjusted gross revenue for sports wagering in Missouri will be \$63,514,955 for the first year, \$179,776,720 for the second year, \$245,658,388 for the third year, and \$266,539,351 for the fourth year (fourth year estimate is based on 8.5% growth from the previous year per a study completed by Eilers & Krejcik). In determining the aforementioned estimates, a .25% deduction for excise tax and a 25% deduction for promotional wagering were made to Missouri’s total adjusted gross revenue from sports wagering due to the initiative’s definition of adjusted gross revenue including such deductions for sports wagering, whereas Indiana’s definition does not. In addition, the term of adjusted gross revenue includes deducting voided or cancelled wagers, uncollectible receivables, and actual costs for anything of value provided to the patron, but such deduction was not made in determining the aforementioned tax revenue estimates, because Indiana’s adjusted gross receipts already include a 2% deduction for such, which the Missouri Gaming Commission estimates will be a similar amount in Missouri. Thus, using

the total adjusted gross revenue for sports wagering in Missouri estimates, the Missouri Gaming Commission estimates that the revenue from the Gaming Tax (10% of Adjusted Gross Receipts) on sports wagering will be \$6,351,495.47 for the first year, \$17,977,671.98 for the second year, \$24,565,838.80 for the third year, \$26,653,935.10 for the fourth year, and \$28,919,519.62 for the fifth year. These estimates, however, are uncertain based on the inclusion of a deduction for “any federal tax” with no corresponding definition or explanation as to what that would include.

Based on the licensing and renewal fees for sports wagering applicants and the taxes on the adjusted gross revenue the total amount of fees and taxes collected may be sufficient to cover the Missouri Gaming Commission’s costs to license and regulate sports wagering, however, that is dependent on the total amount of deductions applied to the adjusted gross revenue.

Technical Notes:

Section 4(c) – It is the understanding of the Missouri Gaming Commission (the “Commission”) that this section permits a certain number of mobile licenses that would be untethered from any casino or sports team location or district. Such allowance would potentially be in conflict with Article III, Section 39(e) of the Missouri Constitution, which permits gambling upon the Missouri or Mississippi Rivers only (or in artificial spaces that contain water and are within 1000 feet of the closest edge of the main channel).

Section 6(a) and 6(b) – These sections specify the fees for both (a) retail and (b) mobile licenses. Retail license applicants shall be required to pay a license fee of \$250,000 with a license renewal fee of \$250,000 every five (5) years. Mobile license applicants shall be required to pay a license fee of \$500,000 with a license renewal fee of \$500,000 every five (5) years. To the extent that other language in the petition proscribes allocation of the fees, there is concern that the licensing fees will not cover the expenses of the Missouri Gaming Commission (the “Commission”) during years in which licensing fees or renewals are not collected (i.e., years two, three, and four). These sections are also not clear as to where the license fees and renewal fees are to be deposited. The Commission suggests explicitly requiring fees to be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 7 – This section describes appropriation for the fees collected by the Commission. Section 7 requires that the fees first be used to reimburse the Commission for their reasonable expenses incurred to regulate sports wagering with the remaining fees being deposited into the Compulsive Gambling Prevention Fund. This section raises the question of where the fee monies are being deposited in the first instance if the language requires reimbursement to the Commission. Currently, fees for licensees are deposited with the Missouri Gaming Commission Fund and appropriated accordingly after the Commission’s reasonable expenses have been satisfied. The process by which the Commission is reimbursed is not clear in the current petition, nor is it clear in general how the funds will be dispersed. The Commission suggests explicitly requiring fees to

be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 8(e) – This section proscribes the maximum fine that the Commission could impose for violations of the laws and rules promulgated for sports wagering in the State. Historically, the Commission has had broad discretion to discipline operators for violations of statute and rules and would suggest that this continue.

Section 9 – This section requires that a 10% tax be imposed upon the adjusted gross revenue received from sports wagering by each licensee, to be appropriated for elementary, secondary, and higher education, and to be paid after appropriations for the Commission's reasonable expenses and contributions the Compulsive Gambling Prevention Fund of the greater of 10% of annual tax revenues or \$5,000,000. In years where the Commission does not collect renewal fees, licensing fees will be insufficient to meet the Commission's reasonable expenses and would thus require the Commission to rely upon tax funds that would otherwise be appropriated to education in the state of Missouri. Section 9 also raises the question of whether an annual 10% or \$5,000,000 contribution to the Compulsive Gambling Prevention Fund is required regardless of the balance of the Fund.

Section 10 – This section requires that licensees maintain in the state, or other location approved by the Commission and consistent with federal law, a computer server or servers used to receive transmissions of requests to place wagers and that transmit acceptance of those requests. Under current federal law, the servers would only be intrastate. The Commission is also aware of a potential conflict between the petition and Article III, Section 39 regarding the location of the servers within the state.

Section 10 – This section is included under the language requiring the placement of servers to accept wagers and would likely be better included under its own section. As it stands, this portion of Section 10 requires that there will be the Compulsive Gambling Prevention Fund created in the state treasury which shall consist of the taxes and fees collected pursuant to the petition. The section is not clear if the Compulsive Gambling Prevention Fund shall contain only the funds specifically directed to the Fund, or if the entirety of fees and taxes will be deposited into this fund in the first instance for later reimbursement and appropriation. This concern mirrors the notes related to Section 7. Further, a compulsive gambling fund was previously authorized under Section 313.842, RSMo. The language here is not clear as to whether the Fund contemplated in this section is a separately established fund, or if it adds to or changes the existing statute. Additionally, this Section invests in the Commission the oversight into use of the Fund for counseling, treatment programs, and grants for compulsive gambling prevention. This oversight would potentially be better accomplished by the Department of Mental Health with their qualifications in understanding Gambling Disorders under the Diagnostic and Statistical Manual (DSM) V.

Section 11(a) – This section states that the definition of adjusted gross revenue (as related to the wagering tax of 10% imposed in Section 9) is the total of all cash or cash equivalents received by a licensee from sports wagering minus (1) all cash and cash equivalents paid out as winnings to patrons, (2) the actual costs paid by a licensee for anything of value provided to and redeemed by patrons, including merchandise or services distributed to sports wagering patrons to incentivize sports wagering, (3) voided or cancelled wagers, (4) the costs of free

play or promotional credits provided to and redeemed by the applicable licensee's patrons, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month, (5) any sums paid as a result of any federal tax, including federal excise tax, and (6) uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering patrons. Section 11(a) also states in (7) that if the amount of adjusted gross receipts in a calendar month is a negative figure, the certificate holder shall remit no sports wagering tax for that calendar month and any negative receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

1. Section 11(a)(4) would allow an operator to deduct up to 25% of the gross costs of promotional credits and free play. As a result, the Commission anticipates that operators will be permitted to deduct amounts to the extent the operator pays zero gaming taxes for sports wagering.
2. Section 11(a)(5) is not clear as to whether "any federal tax" includes taxes from any jurisdiction or just federal taxes imposed from business in the State of Missouri. Further, by using the language contained in the present initiative petition ("*any* sums paid as a result of *any* federal tax"), the provision appears to permit a sports wagering operator to deduct its federal income tax, its federal employment tax, its federal excise tax, and any other federal tax when determining its adjusted gross receipts. If a sports wagering operator is permitted to make such deductions, the Commission anticipates that some operators may have no adjusted gross receipts on which to pay gaming tax. In other words, the Commission anticipates that by permitting such deductions, some operators will pay no gaming taxes on sports wagering.
3. Section 11(a)(7) appears as if it needs to be its own separate section independent from Sections 11(a)(1) through (6), as it does not define or identify deductions from gross revenue.
4. The Commission anticipates that the totality of the deductions identified in Sections 11(a)(1) through (6) will result in sports wagering licensees showing negative adjusted gross revenues and therefore paying no sports wagering tax. This would in turn impact the ability of the Commission to meet its reasonable expenses as well as limit or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri. Additionally, the carryover provisions in Section 11(a)(7) would further impact the ability of the Commission to meet its reasonable expenses and further impact or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri.

MGC officials further indicated the projections in the spreadsheets and fiscal impact response are based on estimates from other jurisdictions and the impact of the taxes collected in other jurisdictions comparable to the proposed taxes and tax deductions in Missouri. The narrative, however, also noted that operators may pay little to no taxes if they are permitted to claim deductions that would be in excess of their adjusted gross revenue. Such deductions would potentially be permitted under the language of these petitions, particularly with respect to deductions for promotional or free play and deductions for any federal tax. An example of this is Kansas. In February 2023, Kansans wagered more than \$194 million in sports bets. The state, however, received \$1,134 in state tax revenue due to language permitting operators to deduct free play or promotional credits before assessing their state taxes. Some operators had not paid any state taxes through the first quarter of 2023 due to the deductions they were permitted to claim. The link to this information is at the end of the response.

The projected revenues in the response provided are based on what the MGC can estimate from a strictly numbers perspective. These numbers, however, are subject to a wide margin based on the uncertainty of operators' abilities to claim deductions consistent with the language in these petitions.

<https://wichitabeacon.org/stories/2023/06/14/loophole-in-kansas-sports-betting-law-helps-companies-avoid-tax/>

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and the State Technical College of Missouri.**

Fiscal Note Summary

State governmental entities estimate onetime costs of \$660,000, ongoing annual costs of at least \$5.2 million, and initial license fee revenue of \$12.75 million. Because the proposal allows for deductions against sports gaming revenues, they estimate unknown tax revenue ranging from \$0 to \$28.9 million annually. Local governments estimate unknown revenue.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-155)**

Subject

Initiative petition from Alixandra Cossette regarding a proposed constitutional amendment to Article III. (Received October 4, 2023)

Date

October 24, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **State Auditor's office**, and the **Missouri Gaming Commission**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-155 and determined there is no measurable impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated they defer to the fiscal determination of the gaming commission.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health (DMH)** indicated this petition would modify Article III, Section 39(g) of the Missouri Constitution legalizing sports wagering in Missouri. Implementation of the initiative petition may result in increased demand for DMH services due to increased access to gambling opportunities but does not appear to mandate any individual to receive treatment which will remain voluntary.

The initiative petition does not appear to create an additional fiscal impact to DMH unless the number of consumers increases and requires additional services to be provided by DMH.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-155 proposing to amend Article III.

Officials from the **Department of Revenue** indicated after thorough review, the Department's response to this initiative petition:

IP 24-155 attempts to create a sports wagering program in the state of Missouri. It appears it wants the Missouri Gaming Commission (Commission) to regulate the sports betting.

Sections 39(g)2 – 39(g)5. requires that a retail license be offered to certain organizations to allow for sports betting. Only licensed organizations will be allowed to offer sports betting. It appears it would allow each of the current 13 excursion gambling boats and the 6 current professional sports teams in Missouri to apply for a sports betting retail license. For purposes of the fiscal note they will assume all these groups apply for the sports betting retail license. Section 39(g)6 allows the Commission to set the fee for the retail license up to \$250,000. For purposes of the fiscal note only, they will assume that the Commission sets the fee at the full amount allowed and therefore the retail licenses could potentially generate \$4,750,000 $[(13 \text{ boats} * \$250,000) + (6 \text{ teams} * \$250,000)]$ in the first year and the same in the fifth year due to renewal fees.

The Department of Revenue (Department) notes while the proposal appears to allow the Commission to set the retail license fee amount and to issue the licenses, it does not give the Commission the necessary authority to actually collect the retail license fee or to deposit the fees into any state fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears these retail license fees will not generate any revenue to the state, the Commission, or to the Compulsive Gaming Prevention Fund.

Section 39(g)4.(c) allows the Commission to issue not more than 1 mobile license to certain organizations in the state. It allows the Commission to set the mobile license fee at up to \$500,000. The Department is unaware of the number of organizations that would apply for this mobile license and would defer to the Commission for an estimate of that number. However, the Department notes that while the proposal appears to allow the Commission to set the mobile license fee amount and to issue the licenses, it does not give the Commission the necessary authority to actually collect the mobile license fee or to deposit the fees into any state fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears these mobile license fees will not generate any revenue to the state, the Commission, or to the Compulsive Gaming Prevention Fund.

Section 39(g)7 says that all fees prescribed by the Commission and collected by the state shall be appropriated as identified in the proposal. It should be noted that the Commission is not expressly authorized under this proposal to collect any of the fees described in this proposal nor is any other agency expressly authorized to collect the fees under these sections. This proposal requires the assessment of fees but does not require the fees remittance. Therefore, these sections will not generate any revenue to the state, the Commission or to the Compulsive Gaming Prevention Fund.

Section 39(g)8 provides the Commission rule making authority, limited to certain delineated items. Collection of fees and/or the taxes outlined in the proposal is not one of

them. They are allowed to create rules on the use of the funds in the Compulsive Gaming Prevention Fund but not for its collection. Since no money is to be remitted by the sports betting retail or mobile licensees, it appears this authority may not be needed.

Section 39(g)9 appears to impose a 10% wagering tax on the adjusted gross revenue of the licensee. The Department defers to the Commission for an estimate of the tax that would be collected from the 10% sports betting tax.

This section requires collection of the 10% sports betting tax but does not require remittance of the tax to the Department, Commission or any other state agency. Without the identification of an agency to collect the tax, no tax can be collected. Therefore, it appears this section will not generate any revenue to the state, the Commission or to the Compulsive Gaming Prevention Fund.

Should the Department be asked to collect the taxes generated under this proposal, it was not provided rulemaking authority in which to do it. In addition, the Department expects to have an administrative fiscal impact. Excursion gambling boats currently remit their gambling taxes they collect nightly. The Department would want to create a system similar to the existing gambling tax system. The Department estimates such a system would cost \$100,415 (\$95 per hour * 1,057 hours work). The Department would also need 1 Associate Customer Service Representative with an annual salary of \$36,628 to process payments and reports.

Section 39(g)10 creates the Compulsive Gaming Prevention Fund. This fund appears to duplicate the already existing Compulsive Gamblers Fund (0249) created in Section 313.842 RSMo.

The Department notes that the Sports districts definition may include more than intended. Section 11(j) explains that "sports district" includes any Missouri stadium with a capacity over 11,500 that operates as home for one or more "professional sports team". It also extends to the surrounding area within 400 yards of such premises. Section 11(h) which defines "professional sports team" includes both Major League Soccer (MLS) and National Women's Soccer League (NWSL). The Department notes that CITYPARK, which is home to the MLS team the St. Louis City SC is in downtown St. Louis. The 400 yard extension will potentially cover multiple streets with private retail and residential locations. Additionally, the planned KC Current Stadium, home to the NWSL team the Kansas City Current will also be located in close proximity to private locations. Built within the Berkley Riverfront Park, the stadium will also be next to a public park.

Summary:

Due to the wording in this IP, the Department of Revenue assumes this IP will not generate any revenue to the state.

Officials from the **Department of Public Safety - Office of the Director** indicated:

The Missouri State Highway Patrol anticipates the need for two (2) additional full-time employees (FTE) to conduct background investigations and the subsequent renewals for sports wagering vendors, along with four (4) additional FTE for enforcement activities. Expenses related to the six (6) FTE would be paid from the Gaming Fund (0286). One-time and ongoing expenses, shown below, would include salary, fringe, vehicles, gasoline, and related equipment. The Patrol's response below is applicable for each of the initiative petitions.

Salary:

Position Title: Sergeant (V07005)
Annual Salary: \$99,648
Total Cost for Salaries: \$597,888

Fringe:

Annual Cost per Position: \$85,637
Total Fringe Amount: \$513,822

Expense & Equipment:

Initial Costs: \$501,330
Ongoing Costs: \$130,956

Total Cost for Salaries, Fringe, & Associated Equipment:

Initial Cost: \$1,613,040
Ongoing Costs: \$1,242,666

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-155 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for initiative petition 24-155.

Officials from the **Office of Administration** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-155 a proposed constitutional amendment to Article III, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-155 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-155 proposing to amend Article III.

Officials from **St. Louis County** indicated the initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated this will have a fiscal impact to their college. Unknown impact at this time due to revenues and expenses being unknown.

Officials from **University of Missouri** indicated the University of Missouri System does not expect cost to exceed \$100,000.

Official from **St. Louis Community College** indicated they have reviewed the petition initiative and cannot determine the effect on the college since no estimate of revenues has been made. Their response in no way assesses the merits of the petition on its face.

Officials from the **State Auditor's office** (SAO) indicated there would be a fiscal impact on the SAO. They believe this would create the need for a stand-alone performance audit consisting of 500 hours. 500 hours multiplied by \$90.00 per hour (current average audit cost per staff hour) equals a \$45,000 impact.

Officials from the **Missouri Gaming Commission** (MGC) indicated:

This proposal will affect the Missouri State Highway Patrol, Missouri Dept. of Revenue, Missouri Dept. of Mental Health, Home Dock Cities/Counties, "sports districts" located in St. Louis and Kansas City, as that term is defined in the proposal.

It may have an impact on local jurisdictions and businesses surrounding and in close proximity to the "sports districts" located in St. Louis and Kansas City areas, as that term is defined in the proposal.

The MGC anticipates licensees to pay license fees and renewal fees to the MGC in order to regulate and manage sports wagering in Missouri. It also imposes certain taxes be paid by licensees based on their adjusted gross revenue.

If this initiative petition passes, the Missouri Gaming Commission (MGC) estimates needing fifteen new FTE positions, which would result in an initial cost to the MGC of \$1,786,582.86 (including salary, fringe, supplies, equipment, and travel/lodging related to job performance of those additional employees), in addition to approximately \$2,182,431.33, which represents 7.7% of the MGC existing budget each year (to cover the costs of MGC and MSHP Gaming Division staff plus expenses needed to license and regulate sports wagering) for a total initial cost of \$3,969,014.17. Additional costs included

in this estimate may also encompass those associated with the development and implementation of responsible gambling programs. The total annual ongoing personnel cost, after the first year, is estimated to be \$3,910,738.87.

The MGC and the Missouri State Highway Patrol (MSHP) currently have a Memorandum of Understanding (MOU) in place which states that the MSHP will provide background and criminal and regulatory investigation and enforcement support to the MGC to assist it in carrying out its duties, which results in these additional costs.

The MGC estimates a total of 19 applicants for retail sports wagering licenses, to include the 13 current excursion gambling boats, plus 6 “sports districts” located in St. Louis and Kansas City areas, as that term is defined in the proposal. Initiative 24-155, Article III, Section 39(g).4 allows for the excursion gambling boat owners and the professional teams to apply for mobile licenses for a total of 12 mobile licenses.

Based on the number of sports wagering licenses, the MGC estimates collection of fees approximately \$10.75 million the first year and every fifth year of operation. Pursuant to Section 39(g).7 the fees would be utilized for reimbursement of expenses incurred by the MGC to regulate sports wagering. Any remaining fees will be deposited into the Compulsive Gambling Prevention Fund. Pursuant to Section 39(g).11 a wagering tax of 10% is imposed based on adjusted gross revenue. Annual revenues will be appropriated to elementary, secondary and higher education only after the annual tax revenues are used to reimburse expenses incurred by MGC and to fund the Compulsive Gambling Prevention Fund at the greater of 10% of annual tax revenues or \$5,000,000 to the Compulsive Gambling Fund.

In calculating tax revenue estimates, the Missouri Gaming Commission used the sports wagering data from a comparable state, Indiana, due to it having similar population, number of casinos, geographical proximity and other demographics as Missouri. Indiana’s total adjusted receipts from sports wagering, which includes both retail (in-person) and online, was \$84,969,839 for 2020, \$240,503,973 for 2021, and \$328,639,984 for 2022. Assuming that the total adjusted gross revenue for sports wagering in Missouri will be comparable to that of Indiana, the Gaming Commission estimates that total adjusted gross revenue for sports wagering in Missouri will be \$63,514,955 for the first year, \$179,776,720 for the second year, \$245,658,388 for the third year, and \$266,539,351 for the fourth year (fourth year estimate is based on 8.5% growth from the previous year per a study completed by Eilers & Krejcik). In determining the aforementioned estimates, a .25% deduction for excise tax and a 25% deduction for promotional wagering were made to Missouri’s total adjusted gross revenue from sports wagering due to the initiative’s definition of adjusted gross revenue including such deductions for sports wagering, whereas Indiana’s definition does not. In addition, the term of adjusted gross revenue includes deducting voided or cancelled wagers, uncollectible receivables, and actual costs for anything of value provided to the patron, but such deduction was not made in determining the aforementioned tax revenue estimates, because Indiana’s adjusted gross receipts already include a 2% deduction for such, which the Missouri Gaming Commission estimates will be a similar amount in Missouri. Thus, using the total adjusted gross revenue for sports wagering in Missouri estimates, the Missouri

Gaming Commission estimates that the revenue from the Gaming Tax (10% of Adjusted Gross Receipts) on sports wagering will be \$6,351,495.47 for the first year, \$17,977,671.98 for the second year, \$24,565,838.80 for the third year, \$26,653,935.10 for the fourth year, and \$28,919,519.62 for the fifth year. These estimates, however, are uncertain based on the inclusion of a deduction for “any federal tax” with no corresponding definition or explanation as to what that would include.

Based on the licensing and renewal fees for sports wagering applicants and the taxes on the adjusted gross revenue the total amount of fees and taxes collected may be sufficient to cover the Missouri Gaming Commission’s costs to license and regulate sports wagering, however, that is dependent on the total amount of deductions applied to the adjusted gross revenue.

Technical Notes:

Section 6(a) and 6(b) – These sections specify the fees for both (a) retail and (b) mobile licenses. Retail license applicants shall be required to pay a license fee of \$250,000 with a license renewal fee of \$250,000 every five (5) years. Mobile license applicants shall be required to pay a license fee of \$500,000 with a license renewal fee of \$500,000 every five (5) years. To the extent that other language in the petition proscribes allocation of the fees, there is concern that the licensing fees will not cover the expenses of the Missouri Gaming Commission (the “Commission”) during years in which licensing fees or renewals are not collected (i.e., years two, three, and four). These sections are also not clear as to where the license fees and renewal fees are to be deposited. The Commission suggests explicitly requiring fees to be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 7 – This section describes appropriation for the fees collected by the Commission. Section 7 requires that the fees first be used to reimburse the Commission for their reasonable expenses incurred to regulate sports wagering with the remaining fees being deposited into the Compulsive Gambling Prevention Fund. This section raises the question of where the fee monies are being deposited in the first instance if the language requires reimbursement to the Commission. Currently, fees for licensees are deposited with the Missouri Gaming Commission Fund and appropriated accordingly after the Commission’s reasonable expenses have been satisfied. The process by which the Commission is reimbursed is not clear in the current petition, nor is it clear in general how the funds will be dispersed. The Commission suggests explicitly requiring fees to be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 8(e) – This section proscribes the maximum fine that the Commission could impose for violations of the laws and rules promulgated for sports wagering in the State. Historically, the Commission has had broad discretion to discipline operators for violations of statute and rules and would suggest that this continue.

Section 9 – This section requires that a 10% tax be imposed upon the adjusted gross revenue received from sports wagering by each licensee, to be appropriated for elementary, secondary, and higher education, and to be paid after appropriations for the Commission's reasonable expenses and contributions to the Compulsive Gambling Prevention Fund of the greater of 10% of annual tax revenues or \$5,000,000. In years where the Commission does not collect renewal fees, licensing fees will be insufficient to meet the Commission's reasonable expenses and would thus require the Commission to rely upon tax funds that would otherwise be appropriated to education in the state of Missouri. Section 9 also raises the question of whether an annual 10% or \$5,000,000 contribution to the Compulsive Gambling Prevention Fund is required regardless of the balance of the Fund

Section 10 – This section requires that licensees maintain in the state, or other location approved by the Commission and consistent with federal law, a computer server or servers used to receive transmissions of requests to place wagers and that transmit acceptance of those requests. Under current federal law, the servers would only be intrastate. The Commission is also aware of a potential conflict between the petition and Article III, Section 39 regarding the location of the servers within the state.

Section 10 – This section is included under the language requiring the placement of servers to accept wagers and would likely be better included under its own section. As it stands, this portion of Section 10 requires that there will be the Compulsive Gambling Prevention Fund created in the state treasury which shall consist of the taxes and fees collected pursuant to the petition. The section is not clear if the Compulsive Gambling Prevention Fund shall contain only the funds specifically directed to the Fund, or if the entirety of fees and taxes will be deposited into this fund in the first instance for later reimbursement and appropriation. This concern mirrors the notes related to Section 7. Further, a compulsive gambling fund was previously authorized under Section 313.842, RSMo. The language here is not clear as to whether the Fund contemplated in this section is a separately established fund, or if it adds to or changes the existing statute. Additionally, this Section invests in the Commission the oversight into use of the Fund for counseling, treatment programs, and grants for compulsive gambling prevention. This oversight would potentially be better accomplished by the Department of Mental Health with their qualifications in understanding Gambling Disorders under the Diagnostic and Statistical Manual (DSM) V.

Section 11(a) – This section states that the definition of adjusted gross revenue (as related to the wagering tax of 10% imposed in Section 9) is the total of all cash or cash equivalents received by a licensee from sports wagering minus (1) all cash and cash equivalents paid out as winnings to patrons, (2) the actual costs paid by a licensee for anything of value provided to and redeemed by patrons, including merchandise or services distributed to sports wagering patrons to incentivize sports wagering, (3) voided or cancelled wagers, (4) the costs of free play or promotional credits provided to and redeemed by the applicable licensee's patrons, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month, (5) any sums paid as a result of any federal

tax, including federal excise tax, and (6) uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering patrons. Section 11(a) also states in (7) that if the amount of adjusted gross receipts in a calendar month is a negative figure, the certificate holder shall remit no sports wagering tax for that calendar month and any negative receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

1. Section 11(a)(4) would allow an operator to deduct up to 25% of the gross costs of promotional credits and free play. As a result, the Commission anticipates that operators will be permitted to deduct amounts to the extent the operator pays zero gaming taxes for sports wagering.
2. Section 11(a)(5) is not clear as to whether “any federal tax” includes taxes from any jurisdiction or just federal taxes imposed from business in the State of Missouri. Further, by using the language contained in the present initiative petition (“*any* sums paid as a result of *any* federal tax”), the provision appears to permit a sports wagering operator to deduct its federal income tax, its federal employment tax, its federal excise tax, and any other federal tax when determining its adjusted gross receipts. If a sports wagering operator is permitted to make such deductions, the Commission anticipates that some operators may have no adjusted gross receipts on which to pay gaming tax. In other words, the Commission anticipates that by permitting such deductions, some operators will pay no gaming taxes on sports wagering.
3. Section 11(a)(7) appears as if it needs to be its own separate section independent from Sections 11(a)(1) through (6), as it does not define or identify deductions from gross revenue.
4. The Commission anticipates that the totality of the deductions identified in Sections 11(a)(1) through (6) will result in sports wagering licensees showing negative adjusted gross revenues and therefore paying no sports wagering tax. This would in turn impact the ability of the Commission to meet its reasonable expenses as well as limit or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri. Additionally, the carryover provisions in Section 11(a)(7) would further impact the ability of the Commission to meet its reasonable expenses and further impact or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri.

MGC officials further indicated the projections in the spreadsheets and fiscal impact response are based on estimates from other jurisdictions and the impact of the taxes collected in other jurisdictions comparable to the proposed taxes and tax deductions in Missouri. The narrative, however, also noted that operators may pay little to no taxes if they are permitted to claim deductions that would be in excess of their adjusted gross revenue. Such deductions would potentially be permitted under the language of these petitions, particularly with respect to deductions for promotional or free play and deductions for any federal tax. An example of this is Kansas. In February 2023, Kansans wagered more than \$194 million in sports bets. The state, however, received \$1,134 in state tax revenue due to language permitting operators to deduct free play or promotional credits before assessing their state taxes. Some operators had not paid any state taxes through the first quarter of 2023 due to the deductions they were permitted to claim. The link to this information is at the end of the response.

The projected revenues in the response provided are based on what the MGC can estimate from a strictly numbers perspective. These numbers, however, are subject to a wide margin based on the uncertainty of operators' abilities to claim deductions consistent with the language in these petitions.

<https://wichitabeacon.org/stories/2023/06/14/loophole-in-kansas-sports-betting-law-helps-companies-avoid-tax/>

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and the State Technical College of Missouri.**

Fiscal Note Summary

State governmental entities estimate onetime costs of \$660,000, ongoing annual costs of at least \$5.2 million, and initial license fee revenue of \$10.75 million. Because the proposal allows for deductions against sports gaming revenues, they estimate unknown tax revenue ranging from \$0 to \$28.9 million annually. Local governments estimate unknown revenue.



RECEIVED

OCT 04 2023

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

STATE AUDITORS OFFICE

ELECTIONS DIVISION
(573) 751-2301

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

October 4, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article III, version 1 (2024-154)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on October 4, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission pursuant to Article III, Section 39(g) may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. A licensee shall not offer sports wagering to individuals who are under twenty-one years of age.

4. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

c. The Commission shall issue not more than three mobile licenses to operate sports wagering in this state directly to qualified applicants that are sports wagering operators. Each sports wagering operator shall only be eligible for one mobile license per distinct sports wagering operator brand. For purposes of Article III, Section 39(g) brand shall refer to the name, trade name, licensed trademark, or assumed business name of the sports wagering operator. If there are more than three qualified applicants for a mobile license to be issued by the Commission directly to a sports wagering operator under this section, the Commission shall select the applicant for licensure based on the applicant's ability to satisfy the following criteria:

(1) Expertise in the business of online sports wagering;

(2) Integrity, sustainability, and safety of the applicant's online sports wagering platform;

(3) Past relevant experience of the applicant;

(4) Advertising and promotional plans to increase and sustain revenue;

(5) Ability to generate, maximize, and sustain revenues for the state;

(6) Demonstrated commitment to and plans for the promotion of responsible gaming; and

(7) Capacity to increase the number of bettors on the applicant's online sports wagering platform.

5. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control.

6. Retail and mobile license applicants shall be required to pay a license fee as follows:

a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.

b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.

7. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:

a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and

b. to the extent all reasonable expenses incurred by the Commission have been reimbursed, the remaining fees shall be deposited in the Compulsive Gaming Prevention Fund.

8. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce commercially reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall examine the rules implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework, including, but not limited to:

a. Standards governing the security and integrity of sports wagering, including requiring the use of official league data from each applicable sports governing body headquartered in the United States solely for the purposes of determining the outcome of tier two sports wagers on a professional athlete or sporting event, but only if made available to licensees on commercially reasonable terms. Sports wagering operators may use any data source for determining the results of any and all tier one sports wagers on any and all sporting events, and the results of any and all tier two sports wagers on sporting events of an organization that is not headquartered in the United States;

b. Standards for the use and distribution of monies from the Compulsive Gaming Prevention Fund shall include, but not be limited to research, detection, and prevention of compulsive gaming, the implementation of treatment and recovery programs, or services related to compulsive gaming in this state;

c. Requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;

d. Requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;

e. Establishing fines, placing licensees on probation, and revoking licenses for violations of this section. The Commission may impose fines upon any person holding, or required to hold, a license or approval under this section or the rules subsequently adopted. Fines shall not exceed

\$50,000 per violation or \$100,000 resulting from violation of the same occurrence of events. The Commission shall promulgate rules relating to procedures for disciplinary hearings, including that any such decision may be appealed to circuit court;

f. Establishing a start date for all sports wagering that is not later than December 1, 2025. No sports wagering, either retail or mobile, shall be offered in the state before such start date established by the Commission. No category of license shall be given an earlier launch date over any other category of license; and

g. Prohibiting all sports wagering activity, including sports wagering promotional and advertising activity, within a sports district, unless approved by the professional sports team that plays its home games within the district, except such rules shall not prohibit any licensee from offering sports wagering through an online sports wagering platform to persons physically located within a sports district.

9. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports wagering conducted by each licensee and each sports wagering operator acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in this state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(1) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(2) the greater of 10% of such annual tax revenues or \$5,000,000 to the Compulsive Gaming Fund.

c. Such revenues shall not be included within the definition of “total state revenues” in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

10. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.

There is hereby created in the state treasury the “Compulsive Gaming Prevention Fund”, which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall be utilized by the Commission for the purposes of:

a. providing counseling and other support services for compulsive and problem gamers;

b. developing and implementing problem gaming treatment and prevention programs; and

c. providing grants to supporting organizations that provide assistance to compulsive gamers.

11. As used in this section the following terms shall mean:

a. “Adjusted gross revenue,” the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

(1) All cash and cash equivalents paid out as winnings to sports wagering customers;

(2) The actual costs paid by a licensee for anything of value provided to and redeemed by customers, including merchandise or services distributed to sports wagering customers to incentivize sports wagering;

(3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee's customers, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering customers.

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the licensee shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. "Commission," means the Missouri Gaming Commission;

c. "Excursion gambling boat," means an excursion gambling boat or floating facility as described in Article III, Section 39(e);

d. "License," means any retail license or mobile license.

e. "Licensee," means the holder of any retail or mobile license.

f. "Mobile license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. "Online sports wagering platform," means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate mobile sports wagering.

h. "Professional sports team," means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women's National Basketball Association, or the National Women's Soccer League.

i. "Retail license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. "Sports district," means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. "Sports wagering," means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or any other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events.

Sports wagering shall not include:

(1) a fantasy sports contest comprising multiple participants competing against one another in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. A fantasy sports contest operator shall not qualify as a "participant" for purposes of this section;

(2) wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant; and

(3) wagering on youth or high school events.

l. “Sports wagering operator,” means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

m. “Tier one sports wager,” means a sports wager that is determined solely by the final score or final outcome of the sporting event and is placed before the sporting event has begun.

n. “Tier two sports wager,” means a sports wager that is not a tier one sports wager.

12. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

13. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-154)**

Subject

Initiative petition from Alixandra Cossette regarding a proposed constitutional amendment to Article III. (Received October 4, 2023)

Date

October 24, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **State Auditor's office**, and the **Missouri Gaming Commission**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-154 and determined there is no measurable impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated they defer to the fiscal determination of the gaming commission.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health (DMH)** indicated this petition would modify Article III, Section 39(g) of the Missouri Constitution legalizing sports wagering in Missouri. Implementation of the initiative petition may result in increased demand for DMH services due to increased access to gambling opportunities but does not appear to mandate any individual to receive treatment which will remain voluntary.

The initiative petition does not appear to create an additional fiscal impact to DMH unless the number of consumers increases and requires additional services to be provided by DMH.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-154 proposing to amend Article III.

Officials from the **Department of Revenue** indicated after thorough review, the Department's response to this initiative petition:

IP 24-154 attempts to create a sports wagering program in the state of Missouri. It appears it wants the Missouri Gaming Commission (Commission) to regulate the sports betting.

Sections 39(g)2 – 39(g)5. requires that a retail license be offered to certain organizations to allow for sports betting. Only licensed organizations will be allowed to offer sports betting. It appears it would allow each of the current 13 excursion gambling boats and the 6 current professional sports teams in Missouri to apply for a sports betting retail license. For purposes of the fiscal note they will assume all these groups apply for the sports betting retail license. Section 39(g)6 allows the Commission to set the fee for the retail license up to \$250,000. For purposes of the fiscal note only, they will assume that the Commission sets the fee at the full amount allowed and therefore the retail licenses could potentially generate \$4,750,000 $[(13 \text{ boats} * \$250,000) + (6 \text{ teams} * \$250,000)]$ in the first year and the same in the fifth year due to renewal fees.

The Department of Revenue (Department) notes while the proposal appears to allow the Commission to set the retail license fee amount and to issue the licenses, it does not give the Commission the necessary authority to actually collect the retail license fee or to deposit the fees into any state fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears these retail license fees will not generate any revenue to the state, the Commission, or to the Compulsive Gaming Prevention Fund.

Section 39(g)4.(c) allows the Commission to issue not more than 3 mobile license to certain organizations in the state. It allows the Commission to set the mobile license fee at up to \$500,000. The Department is unaware of the number of organizations that would apply for this mobile license and would defer to the Commission for an estimate of that number. However, the Department notes that while the proposal appears to allow the Commission to set the mobile license fee amount and to issue the licenses, it does not give the Commission the necessary authority to actually collect the mobile license fee or to deposit the fees into any state fund. The proposal also does not give collection authority or deposit authority to any other agency including the Department. Therefore it appears these mobile license fees will not generate any revenue to the state, the Commission, or to the Compulsive Gaming Prevention Fund.

Section 39(g)7 says that all fees prescribed by the Commission and collected by the state shall be appropriated as identified in the proposal. It should be noted that the Commission is not expressly authorized under this proposal to collect any of the fees described in this proposal nor is any other agency expressly authorized to collect the fees under these sections. This proposal requires the assessment of fees but does not require the fees remittance. Therefore, these sections will not generate any revenue to the state, the Commission or to the Compulsive Gaming Prevention Fund.

Section 39(g)8 provides the Commission rule making authority, limited to certain delineated items. Collection of fees and/or the taxes outlined in the proposal is not one of

them. They are allowed to create rules on the use of the funds in the Compulsive Gaming Prevention Fund but not for its collection. Since no money is to be remitted by the sports betting retail or mobile licensees, it appears this authority may not be needed.

Section 39(g)9 appears to impose a 10% wagering tax on the adjusted gross revenue of the licensee. The Department defers to the Commission for an estimate of the tax that would be collected from the 10% sports betting tax.

This section requires collection of the 10% sports betting tax but does not require remittance of the tax to the Department, Commission or any other state agency. Without the identification of an agency to collect the tax, no tax can be collected. Therefore, it appears this section will not generate any revenue to the state, the Commission or to the Compulsive Gaming Prevention Fund.

Should the Department be asked to collect the taxes generated under this proposal, it was not provided rulemaking authority in which to do it. In addition, the Department expects to have an administrative fiscal impact. Excursion gambling boats currently remit their gambling taxes they collect nightly. The Department would want to create a system similar to the existing gambling tax system. The Department estimates such a system would cost \$100,415 (\$95 per hour * 1,057 hours work). The Department would also need 1 Associate Customer Service Representative with an annual salary of \$36,628 to process payments and reports.

Section 39(g)10 creates the Compulsive Gaming Prevention Fund. This fund appears to duplicate the already existing Compulsive Gamblers Fund (0249) created in Section 313.842 RSMo.

The Department notes that the Sports districts definition may include more than intended. Section 11(j) explains that "sports district" includes any Missouri stadium with a capacity over 11,500 that operates as home for one or more "professional sports team". It also extends to the surrounding area within 400 yards of such premises. Section 11(h) which defines "professional sports team" includes both Major League Soccer (MLS) and National Women's Soccer League (NWSL). The Department notes that CITYPARK, which is home to the MLS team the St. Louis City SC is in downtown St. Louis. The 400 yard extension will potentially cover multiple streets with private retail and residential locations. Additionally, the planned KC Current Stadium, home to the NWSL team the Kansas City Current will also be located in close proximity to private locations. Built within the Berkley Riverfront Park, the stadium will also be next to a public park.

Summary:

Due to the wording in this IP, the Department of Revenue assumes this IP will not generate any revenue to the state.

Officials from the **Department of Public Safety - Office of the Director** indicated:

The Missouri State Highway Patrol anticipates the need for two (2) additional full-time employees (FTE) to conduct background investigations and the subsequent renewals for sports wagering vendors, along with four (4) additional FTE for enforcement activities. Expenses related to the six (6) FTE would be paid from the Gaming Fund (0286). One-time and ongoing expenses, shown below, would include salary, fringe, vehicles, gasoline, and related equipment. The Patrol's response below is applicable for each of the initiative petitions.

Salary:

Position Title: Sergeant (V07005)
Annual Salary: \$99,648
Total Cost for Salaries: \$597,888

Fringe:

Annual Cost per Position: \$85,637
Total Fringe Amount: \$513,822

Expense & Equipment:

Initial Costs: \$501,330
Ongoing Costs: \$130,956

Total Cost for Salaries, Fringe, & Associated Equipment:

Initial Cost: \$1,613,040
Ongoing Costs: \$1,242,666

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-154 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for initiative petition 24-154.

Officials from the **Office of Administration** indicated this proposal relating to gaming does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-154 a proposed constitutional amendment to Article III, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-154 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-154 proposing to amend Article III.

Officials from **St. Louis County** indicated the initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated this will have a fiscal impact to their college. Unknown impact at this time due to revenues and expenses being unknown.

Officials from **University of Missouri** indicated the University of Missouri System does not expect cost to exceed \$100,000.

Official from **St. Louis Community College** indicated they have reviewed the petition initiative and cannot determine the effect on the college since no estimate of revenues has been made. Their response in no way assesses the merits of the petition on its face.

Officials from the **State Auditor's office** (SAO) indicated there would be a fiscal impact on the SAO. They believe this would create the need for a stand-alone performance audit consisting of 500 hours. 500 hours multiplied by \$90.00 per hour (current average audit cost per staff hour) equals a \$45,000 impact.

Officials from the **Missouri Gaming Commission** (MGC) indicated:

This proposal will affect the Missouri State Highway Patrol, Missouri Dept. of Revenue, Missouri Dept. of Mental Health, Home Dock Cities/Counties, "sports districts" located in St. Louis and Kansas City, as that term is defined in the proposal.

It may have an impact on local jurisdictions and businesses surrounding and in close proximity to the "sports districts" located in St. Louis and Kansas City areas, as that term is defined in the proposal.

The MGC anticipates licensees to pay license fees and renewal fees to the MGC in order to regulate and manage sports wagering in Missouri. It also imposes certain taxes be paid by licensees based on their adjusted gross revenue.

If this initiative petition passes, the Missouri Gaming Commission (MGC) estimates needing fifteen new FTE positions, which would result in an initial cost to the MGC of \$1,786,582.86 (including salary, fringe, supplies, equipment, and travel/lodging related to job performance of those additional employees), in addition to approximately \$2,182,431.33, which represents 7.7% of the MGC existing budget each year (to cover the costs of MGC and MSHP Gaming Division staff plus expenses needed to license and regulate sports wagering) for a total initial cost of \$3,969,014.17. Additional costs included

in this estimate may also encompass those associated with the development and implementation of responsible gambling programs. The total annual ongoing personnel cost, after the first year, is estimated to be \$3,910,738.87.

The MGC and the Missouri State Highway Patrol (MSHP) currently have a Memorandum of Understanding (MOU) in place which states that the MSHP will provide background and criminal and regulatory investigation and enforcement support to the MGC to assist it in carrying out its duties, which results in these additional costs.

The MGC estimates a total of 19 applicants for retail sports wagering licenses, to include the 13 current excursion gambling boats, plus 6 “sports districts” located in St. Louis and Kansas City areas, as that term is defined in the proposal. Initiative 24-154, Article III, Section 39(g).4 allows for the excursion gambling boat owners and the professional teams to apply for mobile licenses, in addition to three mobile licenses to untethered sports wagering operators, for a total of 15 mobile licenses.

Based on the number of sports wagering licenses, the MGC estimates collection of fees approximately \$12.25 million the first year and every fifth year of operation. Pursuant to Section 39(g).7 the fees would be utilized for reimbursement of expenses incurred by the MGC to regulate sports wagering. Any remaining fees will be deposited into the Compulsive Gambling Prevention Fund. Pursuant to Section 39(g).11 a wagering tax of 10% is imposed based on adjusted gross revenue. Annual revenues will be appropriated to elementary, secondary and higher education only after the annual tax revenues are used to reimburse expenses incurred by MGC and to fund the Compulsive Gambling Prevention Fund at the greater of 10% of annual tax revenues or \$5,000,000 to the Compulsive Gambling Fund.

In calculating tax revenue estimates, the Missouri Gaming Commission used the sports wagering data from a comparable state, Indiana, due to it having similar population, number of casinos, geographical proximity and other demographics as Missouri. Indiana’s total adjusted receipts from sports wagering, which includes both retail (in-person) and online, was \$84,969,839 for 2020, \$240,503,973 for 2021, and \$328,639,984 for 2022. Assuming that the total adjusted gross revenue for sports wagering in Missouri will be comparable to that of Indiana, the Gaming Commission estimates that total adjusted gross revenue for sports wagering in Missouri will be \$63,514,955 for the first year, \$179,776,720 for the second year, \$245,658,388 for the third year, and \$266,539,351 for the fourth year (fourth year estimate is based on 8.5% growth from the previous year per a study completed by Eilers & Krejcik). In determining the aforementioned estimates, a .25% deduction for excise tax and a 25% deduction for promotional wagering were made to Missouri’s total adjusted gross revenue from sports wagering due to the initiative’s definition of adjusted gross revenue including such deductions for sports wagering, whereas Indiana’s definition does not. In addition, the term of adjusted gross revenue includes deducting voided or cancelled wagers, uncollectible receivables, and actual costs for anything of value provided to the patron, but such deduction was not made in determining the aforementioned tax revenue estimates, because Indiana’s adjusted gross receipts already include a 2% deduction for such, which the Missouri Gaming Commission

estimates will be a similar amount in Missouri. Thus, using the total adjusted gross revenue for sports wagering in Missouri estimates, the Missouri Gaming Commission estimates that the revenue from the Gaming Tax (10% of Adjusted Gross Receipts) on sports wagering will be \$6,351,495.47 for the first year, \$17,977,671.98 for the second year, \$24,565,838.80 for the third year, \$26,653,935.10 for the fourth year, and \$28,919,519.62 for the fifth year. These estimates, however, are uncertain based on the inclusion of a deduction for “any federal tax” with no corresponding definition or explanation as to what that would include.

Based on the licensing and renewal fees for sports wagering applicants and the taxes on the adjusted gross revenue the total amount of fees and taxes collected may be sufficient to cover the Missouri Gaming Commission’s costs to license and regulate sports wagering, however, that is dependent on the total amount of deductions applied to the adjusted gross revenue.

Technical Notes:

Section 4(c) – It is the understanding of the Missouri Gaming Commission (the “Commission”) that this section permits a certain number of mobile licenses that would be untethered from any casino or sports team location or district. Such allowance would potentially be in conflict with Article III, Section 39(e) of the Missouri Constitution, which permits gambling upon the Missouri or Mississippi Rivers only (or in artificial spaces that contain water and are within 1000 feet of the closest edge of the main channel).

Section 6(a) and 6(b) – These sections specify the fees for both (a) retail and (b) mobile licenses. Retail license applicants shall be required to pay a license fee of \$250,000 with a license renewal fee of \$250,000 every five (5) years. Mobile license applicants shall be required to pay a license fee of \$500,000 with a license renewal fee of \$500,000 every five (5) years. To the extent that other language in the petition proscribes allocation of the fees, there is concern that the licensing fees will not cover the expenses of the Missouri Gaming Commission (the “Commission”) during years in which licensing fees or renewals are not collected (i.e., years two, three, and four). These sections are also not clear as to where the license fees and renewal fees are to be deposited. The Commission suggests explicitly requiring fees to be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 7 – This section describes appropriation for the fees collected by the Commission. Section 7 requires that the fees first be used to reimburse the Commission for their reasonable expenses incurred to regulate sports wagering with the remaining fees being deposited into the Compulsive Gambling Prevention Fund. This section raises the question of where the fee monies are being deposited in the first instance if the language requires reimbursement to the Commission. Currently, fees for licensees are deposited with the Missouri Gaming Commission Fund and appropriated accordingly after the Commission’s reasonable expenses have been satisfied. The process by which the Commission is reimbursed is not clear in the current petition, nor is it clear in general how the funds will

be dispersed. The Commission suggests explicitly requiring fees to be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 8(e) – This section proscribes the maximum fine that the Commission could impose for violations of the laws and rules promulgated for sports wagering in the State. Historically, the Commission has had broad discretion to discipline operators for violations of statute and rules and would suggest that this continue.

Section 9 – This section requires that a 10% tax be imposed upon the adjusted gross revenue received from sports wagering by each licensee, to be appropriated for elementary, secondary, and higher education, and to be paid after appropriations for the Commission's reasonable expenses and contributions the Compulsive Gambling Prevention Fund of the greater of 10% of annual tax revenues or \$5,000,000. In years where the Commission does not collect renewal fees, licensing fees will be insufficient to meet the Commission's reasonable expenses and would thus require the Commission to rely upon tax funds that would otherwise be appropriated to education in the state of Missouri. Section 9 also raises the question of whether an annual 10% or \$5,000,000 contribution to the Compulsive Gambling Prevention Fund is required regardless of the balance of the Fund.

Section 10 – This section requires that licensees maintain in the state, or other location approved by the Commission and consistent with federal law, a computer server or servers used to receive transmissions of requests to place wagers and that transmit acceptance of those requests. Under current federal law, the servers would only be intrastate. The Commission is also aware of a potential conflict between the petition and Article III, Section 39 regarding the location of the servers within the state.

Section 10 – This section is included under the language requiring the placement of servers to accept wagers and would likely be better included under its own section. As it stands, this portion of Section 10 requires that there will be the Compulsive Gambling Prevention Fund created in the state treasury which shall consist of the taxes and fees collected pursuant to the petition. The section is not clear if the Compulsive Gambling Prevention Fund shall contain only the funds specifically directed to the Fund, or if the entirety of fees and taxes will be deposited into this fund in the first instance for later reimbursement and appropriation. This concern mirrors the notes related to Section 7. Further, a compulsive gambling fund was previously authorized under Section 313.842, RSMo. The language here is not clear as to whether the Fund contemplated in this section is a separately established fund, or if it adds to or changes the existing statute. Additionally, this Section invests in the Commission the oversight into use of the Fund for counseling, treatment programs, and grants for compulsive gambling prevention. This oversight would potentially be better accomplished by the Department of Mental Health with their qualifications in understanding Gambling Disorders under the Diagnostic and Statistical Manual (DSM) V.

Section 11(a) – This section states that the definition of adjusted gross revenue (as related to the wagering tax of 10% imposed in Section 9) is the total of all cash or cash equivalents received by a licensee from sports wagering minus (1) all cash and cash equivalents paid

out as winnings to patrons, (2) the actual costs paid by a licensee for anything of value provided to and redeemed by patrons, including merchandise or services distributed to sports wagering patrons to incentivize sports wagering, (3) voided or cancelled wagers, (4) the costs of free play or promotional credits provided to and redeemed by the applicable licensee's patrons, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month, (5) any sums paid as a result of any federal tax, including federal excise tax, and (6) uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering patrons. Section 11(a) also states in (7) that if the amount of adjusted gross receipts in a calendar month is a negative figure, the certificate holder shall remit no sports wagering tax for that calendar month and any negative receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

1. Section 11(a)(4) would allow an operator to deduct up to 25% of the gross costs of promotional credits and free play. As a result, the Commission anticipates that operators will be permitted to deduct amounts to the extent the operator pays zero gaming taxes for sports wagering.
2. Section 11(a)(5) is not clear as to whether "any federal tax" includes taxes from any jurisdiction or just federal taxes imposed from business in the State of Missouri. Further, by using the language contained in the present initiative petition ("*any* sums paid as a result of *any* federal tax"), the provision appears to permit a sports wagering operator to deduct its federal income tax, its federal employment tax, its federal excise tax, and any other federal tax when determining its adjusted gross receipts. If a sports wagering operator is permitted to make such deductions, the Commission anticipates that some operators may have no adjusted gross receipts on which to pay gaming tax. In other words, the Commission anticipates that by permitting such deductions, some operators will pay no gaming taxes on sports wagering.
3. Section 11(a)(7) appears as if it needs to be its own separate section independent from Sections 11(a)(1) through (6), as it does not define or identify deductions from gross revenue.
4. The Commission anticipates that the totality of the deductions identified in Sections 11(a)(1) through (6) will result in sports wagering licensees showing negative adjusted gross revenues and therefore paying no sports wagering tax. This would in turn impact the ability of the Commission to meet its reasonable expenses as well as limit or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri. Additionally, the carryover provisions in Section 11(a)(7) would further impact the ability of the Commission to meet its reasonable expenses and further impact or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri.

MGC officials further indicated the projections in the spreadsheets and fiscal impact response are based on estimates from other jurisdictions and the impact of the taxes collected in other jurisdictions comparable to the proposed taxes and tax deductions in Missouri. The narrative, however, also noted that operators may pay little to no taxes if they are permitted to claim deductions that would be in excess of their adjusted gross revenue. Such deductions would potentially be permitted under the language of these petitions, particularly with respect to deductions for promotional or free play and deductions for any federal tax. An example of this is Kansas. In February 2023, Kansans wagered more than \$194 million in sports bets. The state, however, received \$1,134 in state tax revenue due to language permitting operators to deduct free play or promotional credits before assessing their state taxes. Some operators had not paid any state taxes through the first quarter of 2023 due to the deductions they were permitted to claim. The link to this information is at the end of the response.

The projected revenues in the response provided are based on what the MGC can estimate from a strictly numbers perspective. These numbers, however, are subject to a wide margin based on the uncertainty of operators' abilities to claim deductions consistent with the language in these petitions.

<https://wichitabeacon.org/stories/2023/06/14/loophole-in-kansas-sports-betting-law-helps-companies-avoid-tax/>

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and the State Technical College of Missouri.**

Fiscal Note Summary

State governmental entities estimate onetime costs of \$660,000, ongoing annual costs of at least \$5.2 million, and initial license fee revenue of \$12.25 million. Because the proposal allows for deductions against sports gaming revenues, they estimate unknown tax revenue ranging from \$0 to \$28.9 million annually. Local governments estimate unknown revenue.



RECEIVED

OCT 04 2023

JOHN R. ASHCROFT

SECRETARY OF STATE
STATE OF MISSOURI

STATE AUDITORS OFFICE

ELECTIONS DIVISION
(573) 751-2301

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

October 4, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article III, version 8 (2024-153)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on October 3, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

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MISSOURI

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission pursuant to Article III, Section 39(g) may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. A licensee shall not offer sports wagering to individuals who are under twenty-one years of age.

4. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

c. The Commission shall issue not more than two mobile licenses to operate sports wagering in this state directly to qualified applicants that are sports wagering operators. Each sports wagering operator shall only be eligible for one mobile license per distinct sports wagering operator brand. For purposes of Article III, Section 39(g) brand shall refer to the name, trade name, licensed trademark, or assumed business name of the sports wagering operator. If there are more than two qualified applicants for a mobile license to be issued by the Commission directly to a sports wagering operator under this section, the Commission shall select the applicant for licensure based on the applicant's ability to satisfy the following criteria:

(1) Expertise in the business of online sports wagering;

(2) Integrity, sustainability, and safety of the applicant's online sports wagering platform;

(3) Past relevant experience of the applicant;

(4) Advertising and promotional plans to increase and sustain revenue;

(5) Ability to generate, maximize, and sustain revenues for the state;

(6) Demonstrated commitment to and plans for the promotion of responsible gaming; and

(7) Capacity to increase the number of bettors on the applicant's online sports wagering platform.

5. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control. In the application, the Commission shall require applicants to disclose the identity of all of the following:

a. The applicant's principal owners who directly own 10% or more of the applicant;

b. Each holding, intermediary, or parent company that directly owns 15% or more of the applicant; and

c. The applicant's board appointed chief executive officer and chief financial officer, or the equivalent individuals, as determined by the Commission.

6. Retail and mobile license applicants shall be required to pay a license fee as follows:

a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.

b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.

7. a. A license for sports wagering shall not be assignable or transferable without approval of the Commission. Such approval shall not be unreasonably withheld.

b. A license shall authorize a licensee to offer sports wagering under not more than one sports wagering operator brand, provided, however, that such licensee shall also be permitted, but not required, to use the brand of a professional team or excursion gambling boat pursuant to a partnership with such entity. Notwithstanding any other provision of law to the contrary and subject to approval by the Commission, a person or entity may hold and operate more than one license under distinct sports wagering operator brands, regardless of whether multiple brands are owned by the same parent entity.

c. Commercial agreements between an excursion gambling boat or a professional sports team and a sports wagering operator shall be submitted to the Commission as agreed to by the contracting parties. The Commission shall not prescribe any terms or conditions that are required to be included into such commercial agreements. A sports governing body or professional sports team may enter into commercial agreements with sports wagering operators or other entities in which such sports governing body or professional sports team may share in the amount wagered on sporting events of such sports governing body or professional sports team. A professional sports team may grant any such rights provided under this paragraph to its affiliate. Neither a sports governing body nor a professional sports team, nor such team's affiliate, is required to obtain a license or any other approval from the Commission to lawfully accept such amounts.

d. Each mobile licensee shall determine, set, and display applicable lines, point spreads, odds, or other information pertaining to online sports wagering.

e. Any submission to the Commission under this section, including all documents, reports, and data submitted therewith, that contain proprietary information, trade secrets, financial information, or personal information about any person or entity shall be treated in the same confidential manner as submissions by other licensees of the Commission and shall not be subject to disclosure pursuant to Chapter 610 RSMo.

8. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:

a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and

b. to the extent all reasonable expenses incurred by the Commission have been reimbursed, the remaining fees shall be deposited in the Compulsive Gaming Prevention Fund.

9. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce commercially reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall examine the rules implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework, including, but not limited to:

a. Standards governing the security and integrity of sports wagering, including requiring the use of official league data on the terms and conditions set forth below from each applicable sports governing body headquartered in the United States solely for the purposes of determining the outcome of tier two sports wagers on a professional athlete or sporting event, but only if made available to licensees on commercially reasonable terms. Sports wagering operators may use any data source for determining the results of any and all tier one sports wagers on any and all sporting events, and the results of any and all tier two sports wagers on sporting events of an organization that is not headquartered in the United States.

(1) A sports governing body may notify the Commission that it desires sports wagering operators to use official league data to settle tier two sports wagers on sporting events of such sports governing body. Such notification shall be made in the form and manner the Commission may require. The Commission shall notify each sports wagering operator of a sports governing body's notification within five days of the Commission's receipt of such notification. If a sports governing body does not notify the Commission of its desire to supply official league data, a sports wagering operator may use any data source for determining the results of any and all tier two sports wagers on sporting events of such sports governing body.

(2) Within 60 days of the Commission notifying each sports wagering operator of a sports governing body's notification to the Commission, or such longer period as may be agreed between the sports governing body and the applicable sports wagering operator, sports wagering operators shall use only official league data to determine the results of tier two sports wagers on sporting events of that sports governing body, unless:

(a) The sports governing body or its designee cannot provide a feed of official league data to determine the results of a particular type of tier two sports wager, in which case sports wagering operators may use any data source for determining the results of the applicable tier two sports wager until such time as such a data feed becomes available from the sports governing body on commercially reasonable terms and conditions;

(b) A sports wagering operator can demonstrate to the Commission that the sports governing body or its designee will not provide a feed of official league data to the sports wagering operator on commercially reasonable terms and conditions; or

(c) The sports governing body or its designee does not obtain the necessary supplier approvals to provide official league data to sports wagering operators to determine the results of tier two sports wagers, if and to the extent required by law.

(3) The following is a non-exclusive list of factors that the Commission may consider in evaluating official league data is being offered on commercially reasonable terms and conditions for the purposes of paragraphs (a) and (b) of subsection (2):

(a) The availability of a sports governing body's tier two official league data to a sports wagering operator from more than one authorized source;

(b) Market information, including, but not limited to, price and other terms and conditions, regarding the purchase by sports wagering operators of comparable data for the purpose of settling sports wagers in this state and other jurisdictions;

(c) The nature and quantity of data, including the quality and complexity of the process utilized for collecting such data; and

(d) The extent to which sports governing bodies or their designees have made data used to settle tier two bets or wagers available to operators and any terms and conditions relating to the use of that data.

(4) Notwithstanding anything set forth to the contrary herein, including without limitation subparagraph (3), during the pendency of the Commission's determination as to whether a sports governing body or its designee will provide a feed of official league data on commercially reasonable terms, a sports wagering operator may use any data source for determining the results of any and all tier two sports wagers. The Commission's determination shall be made within 120 days of the sports wagering operator notifying the Commission that it desires to demonstrate that the sports governing body or its designee will not provide a feed of official league data to the sports wagering operator on commercially reasonable terms.

b. Standards concerning a licensee's books and financial records relating to sports wagering, including auditing requirements, standards for the daily counting of a licensee's gross receipts from sports wagering, and standards to ensure that internal controls are followed;

c. Standards for the use and distribution of monies from the Compulsive Gaming Prevention Fund shall include, but not be limited to, research, detection, and prevention of compulsive gaming, the implementation of treatment and recovery programs, or services related to compulsive gaming in this state;

d. Standards concerning the detection and prevention of compulsive gaming including, but not limited to, requirements to prominently display information regarding compulsive gaming on all online sports wagering platforms and promotions;

e. Requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;

f. Standards for licensees and sports wagering operators to report to the Commission and the sports governing bodies information related to: abnormal betting activity or patterns that may indicate a concern with the integrity of a sporting event or events; suspicious or illegal betting activities if known to the applicable licensee or sports wagering operator; and any other conduct that corrupts a betting outcome of a sporting event or events for purposes of financial gain, including match fixing;

g. Standards for any sports governing body to submit to the Commission a written request to restrict, limit, or exclude a certain type, form, or category of sports betting with respect to a sporting event of that sports governing body, if the applicable sports governing body believes that such type, form, or category of sports wagering with respect to the sporting event of the sports governing body may undermine the integrity or perceived integrity of the applicable sports governing body or sporting events of the applicable sports governing body.

These standards shall also require the Commission to request comment from sports wagering operators on all requests made pursuant to this paragraph and after giving due consideration to all comments received, the Commission shall, upon a demonstration of good cause from the applicable sports governing body that such type, form, or category of sports betting is likely to undermine the integrity or perceived integrity of such body or sporting events of the applicable sports governing body, grant the request.

These standards shall require the Commission to respond to a request concerning a sporting event before the start of the event, or, if it is not feasible to respond before the start of the event, no later than 7 days after the request is made, and if the Commission determines that the applicable sports governing body is more likely than not to prevail in successfully demonstrating good cause for its request, the Commission may provisionally grant the request of the applicable sports governing body pending the Commission's final determination thereon. Unless the Commission provisionally grants the request, sports wagering operators may continue to offer sports betting and accept bets on the covered sporting event pending a final determination by the Commission;

h. Requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;

i. Standards for the regulation of suppliers of sports wagering goods, services, software, or any other components necessary for the creation of sports wagering markets and determination of wager outcomes;

j. Standards for the implementation of responsible gaming programs, including using commercially reasonable efforts to verify that a person placing a bet on a sporting event is of the legal minimum age for placing such bet, displaying a hyperlink on its online sports wagering platform to responsible gaming information, allowing individuals to voluntarily exclude themselves from placing bets with the operator through a process established by the Commission, and allowing persons to place limits on their time, deposit, or bet limits in a daily, weekly, or monthly manner;

k. Establishing fines, placing licensees on probation, and revoking licenses for violations of this section. The Commission may impose fines upon any person holding, or required to hold, a license or approval under this section or the rules subsequently adopted. Fines shall not exceed \$50,000 per violation or \$100,000 resulting from violation of the same occurrence of events. The Commission shall promulgate rules relating to procedures for disciplinary hearings, including that any such decision may be appealed to circuit court;

l. Establishing a start date for all sports wagering that is not later than December 1, 2025. No sports wagering, either retail or mobile, shall be offered in the state before such start date established by the Commission. No category of license shall be given an earlier launch date over any other category of license.

10. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports wagering conducted by each licensee and each sports wagering operator acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in this state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(1) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(2) the greater of 10% of such annual tax revenues or \$5,000,000 to the Compulsive Gaming Fund.

c. Such revenues shall not be included within the definition of "total state revenues" in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

11. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.

12. All wagers authorized under this section must be initiated, made, or otherwise placed by a bettor while physically present within this state. The intermediate routing of electronic data related to lawful intrastate wagers authorized under this section shall not determine the location or locations in which the bet is initiated, transmitted, received, or otherwise made. Each online sports wagering operator shall use commercially reasonable geolocation and geofencing

technology to ensure that it accepts bets only from customers who, at the time of placing the bet, are physically present in this state.

13. a. An individual wagering in this state shall establish an online sports wagering account with an online sports wagering operator:

- (1) over the Internet;
- (2) through an online sports wagering platform; or
- (3) through other means approved by the Commission.

b. An individual wagering in this State shall not register more than one account with each online sports wagering platform. Mobile licensees shall use commercially reasonable means to ensure that each customer is limited to one account per platform.

c. Permissible methods of funding and withdrawal for accounts include, but are not limited to, credit cards, debit cards, gift cards, reloadable prepaid cards, free and promotional credit, automated clearing house transfers, online and mobile payment systems that support online money transfers, and wire transfers. The Commission may approve additional funding and withdrawal methods including, but not limited to, cash deposits at approved locations and secure cryptocurrencies.

14. a. A sports wagering operator shall use commercially and technologically reasonable means to ensure marketing and advertisements do not purposefully target individuals who have self-excluded from placing bets on sporting events.

b. A sports wagering operator shall employ commercially reasonable methods to ensure that advertisements for sports betting:

- (1) do not purposefully target minors;
- (2) are not false, misleading, or deceptive to a reasonable consumer; and
- (3) clearly and conspicuously disclose the material terms of any promotional offer in the advertisement. Any promotion or advertisement must provide the consumer with the full and complete terms of a promotion by providing a website, or other location, in the promotional advertisement, that directs the viewer to where the full and complete promotional terms can be viewed. This may be satisfied by the promotional advertisement containing a hyperlink that takes the viewer directly to the full and complete offer and terms.

15. There is hereby created in the state treasury the "Compulsive Gaming Prevention Fund", which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall be utilized by the Commission for the purposes of:

- a. providing counseling and other support services for compulsive and problem gamblers;
- b. developing and implementing problem gaming treatment and prevention programs; and
- c. providing grants to supporting organizations that provide assistance to compulsive gamblers.

16. As used in this section the following terms shall mean:

a. "Adjusted gross revenue," the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

- (1) All cash and cash equivalents paid out as winnings to sports wagering customers
- (2) The actual costs paid by a licensee for anything of value provided to and redeemed by customers, including merchandise or services distributed to sports wagering customers to incentivize sports wagering;
- (3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee's customers, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering customers

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the licensee shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. "Commission," means the Missouri Gaming Commission;

c. "Excursion gambling boat," means an excursion gambling boat or floating facility as described in Article III, Section 39(e);

d. "License," means any retail license or mobile license.

e. "Licensee," means the holder of any retail or mobile license.

f. "Mobile license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. "Online sports wagering platform," means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate mobile sports wagering.

h. "Professional sports team," means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women's National Basketball Association, or the National Women's Soccer League.

i. "Retail license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. "Sports district," means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. "Sports wagering," means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or any other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events.

Sports wagering shall not include:

(1) a fantasy sports contest comprising multiple participants competing against one another in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. A fantasy sports contest operator shall not qualify as a "participant" for purposes of this section; and

(2) wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant; and

(3) wagering on youth or high school events.

l. "Sports wagering operator," means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

m. "Tier one sports wager," means a sports wager that is determined solely by the final score or final outcome of the sporting event and is placed before the sporting event has begun.

n. "Tier two sports wager," means a sports wager that is not a tier one sports wager.

17. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

18. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

RECEIVED

OCT 04 2023

STATE AUDITORS OFFICE

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

October 4, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article III, version 7 (2024-152)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on October 3, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission pursuant to Article III, Section 39(g) may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. A licensee shall not offer sports wagering to individuals who are under twenty-one years of age.

4. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

5. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control. In the application, the Commission shall require applicants to disclose the identity of all of the following:

a. The applicant's principal owners who directly own 10% or more of the applicant;

b. Each holding, intermediary, or parent company that directly owns 15% or more of the applicant; and

c. The applicant's board appointed chief executive officer and chief financial officer, or the equivalent individuals, as determined by the Commission.

6. Retail and mobile license applicants shall be required to pay a license fee as follows:

a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.

b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.

7. a. A license for sports wagering shall not be assignable or transferable without approval of the Commission. Such approval shall not be unreasonably withheld.

b. A license shall authorize a licensee to offer sports wagering under not more than one sports wagering operator brand, provided, however, that such licensee shall also be permitted, but not required, to use the brand of a professional team or excursion gambling boat pursuant to a partnership with such entity. Notwithstanding any other provision of law to the contrary and subject to approval by the Commission, a person or entity may hold and operate more than one license under distinct sports wagering operator brands, regardless of whether multiple brands are owned by the same parent entity.

c. Commercial agreements between an excursion gambling boat or a professional sports team and a sports wagering operator shall be submitted to the Commission as agreed to by the contracting parties. The Commission shall not prescribe any terms or conditions that are required to be included into such commercial agreements. A sports governing body or professional sports team may enter into commercial agreements with sports wagering operators or other entities in which such sports governing body or professional sports team may share in the amount wagered on sporting events of such sports governing body or professional sports team. A professional sports team may grant any such rights provided under this paragraph to its affiliate. Neither a sports governing body nor a professional sports team, nor such team's affiliate, is required to obtain a license or any other approval from the Commission to lawfully accept such amounts.

d. Each mobile licensee shall determine, set, and display applicable lines, point spreads, odds, or other information pertaining to online sports wagering.

e. Any submission to the Commission under this section, including all documents, reports, and data submitted therewith, that contain proprietary information, trade secrets, financial information, or personal information about any person or entity shall be treated in the same confidential manner as submissions by other licensees of the Commission and shall not be subject to disclosure pursuant to Chapter 610 RSMo.

8. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:

a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and

b. to the extent all reasonable expenses incurred by the Commission have been reimbursed, the remaining fees shall be deposited in the Compulsive Gaming Prevention Fund.

9. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce commercially reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall examine the rules implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework, including, but not limited to:

a. Standards governing the security and integrity of sports wagering, including requiring the use of official league data on the terms and conditions set forth below from each applicable sports governing body headquartered in the United States solely for the purposes of determining the outcome of tier two sports wagers on a professional athlete or sporting event, but only if made available to licensees on commercially reasonable terms. Sports wagering operators may use any data source for determining the results of any and all tier one sports wagers on any and all

sporting events, and the results of any and all tier two sports wagers on sporting events of an organization that is not headquartered in the United States.

(1) A sports governing body may notify the Commission that it desires sports wagering operators to use official league data to settle tier two sports wagers on sporting events of such sports governing body. Such notification shall be made in the form and manner the Commission may require. The Commission shall notify each sports wagering operator of a sports governing body's notification within five days of the Commission's receipt of such notification. If a sports governing body does not notify the Commission of its desire to supply official league data, a sports wagering operator may use any data source for determining the results of any and all tier two sports wagers on sporting events of such sports governing body.

(2) Within 60 days of the Commission notifying each sports wagering operator of a sports governing body's notification to the Commission, or such longer period as may be agreed between the sports governing body and the applicable sports wagering operator, sports wagering operators shall use only official league data to determine the results of tier two sports wagers on sporting events of that sports governing body, unless:

(a) The sports governing body or its designee cannot provide a feed of official league data to determine the results of a particular type of tier two sports wager, in which case sports wagering operators may use any data source for determining the results of the applicable tier two sports wager until such time as such a data feed becomes available from the sports governing body on commercially reasonable terms and conditions;

(b) A sports wagering operator can demonstrate to the Commission that the sports governing body or its designee will not provide a feed of official league data to the sports wagering operator on commercially reasonable terms and conditions; or

(c) The sports governing body or its designee does not obtain the necessary supplier approvals to provide official league data to sports wagering operators to determine the results of tier two sports wagers, if and to the extent required by law.

(3) The following is a non-exclusive list of factors that the Commission may consider in evaluating official league data is being offered on commercially reasonable terms and conditions for the purposes of paragraphs (a) and (b) of subsection (2):

(a) The availability of a sports governing body's tier two official league data to a sports wagering operator from more than one authorized source;

(b) Market information, including, but not limited to, price and other terms and conditions, regarding the purchase by sports wagering operators of comparable data for the purpose of settling sports wagers in this state and other jurisdictions;

(c) The nature and quantity of data, including the quality and complexity of the process utilized for collecting such data; and

(d) The extent to which sports governing bodies or their designees have made data used to settle tier two bets or wagers available to operators and any terms and conditions relating to the use of that data.

(4) Notwithstanding anything set forth to the contrary herein, including without limitation subparagraph (3), during the pendency of the Commission's determination as to whether a sports governing body or its designee will provide a feed of official league data on commercially reasonable terms, a sports wagering operator may use any data source for determining the results of any and all tier two sports wagers. The Commission's determination shall be made within 120 days of the sports wagering operator notifying the Commission that it desires to demonstrate that the sports governing body or its designee will not provide a feed of official league data to the sports wagering operator on commercially reasonable terms.

b. Standards concerning a licensee's books and financial records relating to sports wagering, including auditing requirements, standards for the daily counting of a licensee's gross receipts from sports wagering, and standards to ensure that internal controls are followed;

c. Standards for the use and distribution of monies from the Compulsive Gaming Prevention Fund shall include, but not be limited to, research, detection, and prevention of compulsive gaming, the implementation of treatment and recovery programs, or services related to compulsive gaming in this state;

d. Standards concerning the detection and prevention of compulsive gaming including, but not limited to, requirements to prominently display information regarding compulsive gaming on all online sports wagering platforms and promotions;

e. Requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;

f. Standards for licensees and sports wagering operators to report to the Commission and the sports governing bodies information related to: abnormal betting activity or patterns that may indicate a concern with the integrity of a sporting event or events; suspicious or illegal betting activities if known to the applicable licensee or sports wagering operator; and any other conduct that corrupts a betting outcome of a sporting event or events for purposes of financial gain, including match fixing;

g. Standards for any sports governing body to submit to the Commission a written request to restrict, limit, or exclude a certain type, form, or category of sports betting with respect to a sporting event of that sports governing body, if the applicable sports governing body believes that such type, form, or category of sports wagering with respect to the sporting event of the sports governing body may undermine the integrity or perceived integrity of the applicable sports governing body or sporting events of the applicable sports governing body.

These standards shall also require the Commission to request comment from sports wagering operators on all requests made pursuant to this paragraph and after giving due consideration to all comments received, the Commission shall, upon a demonstration of good cause from the applicable sports governing body that such type, form, or category of sports betting is likely to undermine the integrity or perceived integrity of such body or sporting events of the applicable sports governing body, grant the request.

These standards shall require the Commission to respond to a request concerning a sporting event before the start of the event, or, if it is not feasible to respond before the start of the event, no later than 7 days after the request is made, and if the Commission determines that the applicable sports governing body is more likely than not to prevail in successfully demonstrating good cause for its request, the Commission may provisionally grant the request of the applicable sports governing body pending the Commission's final determination thereon. Unless the Commission provisionally grants the request, sports wagering operators may continue to offer sports betting and accept bets on the covered sporting event pending a final determination by the Commission;

h. Requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;

i. Standards for the regulation of suppliers of sports wagering goods, services, software, or any other components necessary for the creation of sports wagering markets and determination of wager outcomes;

j. Standards for the implementation of responsible gaming programs, including using commercially reasonable efforts to verify that a person placing a bet on a sporting event is of the legal minimum age for placing such bet, displaying a hyperlink on its online sports wagering platform to responsible gaming information, allowing individuals to voluntarily exclude themselves from placing bets with the operator through a process established by the Commission, and allowing persons to place limits on their time, deposit, or bet limits in a daily, weekly, or monthly manner;

k. Establishing fines, placing licensees on probation, and revoking licenses for violations of this section. The Commission may impose fines upon any person holding, or required to hold, a

license or approval under this section or the rules subsequently adopted. Fines shall not exceed \$50,000 per violation or \$100,000 resulting from violation of the same occurrence of events. The Commission shall promulgate rules relating to procedures for disciplinary hearings, including that any such decision may be appealed to circuit court;

1. Establishing a start date for all sports wagering that is not later than December 1, 2025. No sports wagering, either retail or mobile, shall be offered in the state before such start date established by the Commission. No category of license shall be given an earlier launch date over any other category of license.

10. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports wagering conducted by each licensee and each sports wagering operator acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in this state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(1) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(2) the greater of 10% of such annual tax revenues or \$5,000,000 to the Compulsive Gaming Fund.

c. Such revenues shall not be included within the definition of "total state revenues" in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

11. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.

12. All wagers authorized under this section must be initiated, made, or otherwise placed by a bettor while physically present within this state. The intermediate routing of electronic data related to lawful intrastate wagers authorized under this section shall not determine the location or locations in which the bet is initiated, transmitted, received, or otherwise made. Each online sports wagering operator shall use commercially reasonable geolocation and geofencing technology to ensure that it accepts bets only from customers who, at the time of placing the bet, are physically present in this state.

13. a. An individual wagering in this state shall establish an online sports wagering account with an online sports wagering operator:

(1) over the Internet;

(2) through an online sports wagering platform; or

(3) through other means approved by the Commission.

b. An individual wagering in this State shall not register more than one account with each online sports wagering platform. Mobile licensees shall use commercially reasonable means to ensure that each customer is limited to one account per platform.

c. Permissible methods of funding and withdrawal for accounts include, but are not limited to, credit cards, debit cards, gift cards, reloadable prepaid cards, free and promotional credit, automated clearing house transfers, online and mobile payment systems that support online money transfers, and wire transfers. The Commission may approve additional funding and

withdrawal methods including, but not limited to, cash deposits at approved locations and secure cryptocurrencies.

14. a. A sports wagering operator shall use commercially and technologically reasonable means to ensure marketing and advertisements do not purposefully target individuals who have self-excluded from placing bets on sporting events.

b. A sports wagering operator shall employ commercially reasonable methods to ensure that advertisements for sports betting:

(1) do not purposefully target minors;

(2) are not false, misleading, or deceptive to a reasonable consumer; and

(3) clearly and conspicuously disclose the material terms of any promotional offer in the advertisement. Any promotion or advertisement must provide the consumer with the full and complete terms of a promotion by providing a website, or other location, in the promotional advertisement, that directs the viewer to where the full and complete promotional terms can be viewed. This may be satisfied by the promotional advertisement containing a hyperlink that takes the viewer directly to the full and complete offer and terms.

15. There is hereby created in the state treasury the “Compulsive Gaming Prevention Fund”, which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall be utilized by the Commission for the purposes of:

a. providing counseling and other support services for compulsive and problem gamers;

b. developing and implementing problem gaming treatment and prevention programs; and

c. providing grants to supporting organizations that provide assistance to compulsive gamers.

16. As used in this section the following terms shall mean:

a. “Adjusted gross revenue,” the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

(1) All cash and cash equivalents paid out as winnings to sports wagering customers

(2) The actual costs paid by a licensee for anything of value provided to and redeemed by customers, including merchandise or services distributed to sports wagering customers to incentivize sports wagering;

(3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee’s customers, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering customers

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the licensee shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. “Commission,” means the Missouri Gaming Commission;

c. “Excursion gambling boat,” means an excursion gambling boat or floating facility as described in Article III, Section 39(e);

d. “License,” means any retail license or mobile license.

e. “Licensee,” means the holder of any retail or mobile license.

f. “Mobile license,” means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. “Online sports wagering platform,” means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate mobile sports wagering.

h. “Professional sports team,” means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women’s National Basketball Association, or the National Women’s Soccer League.

i. “Retail license,” means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. “Sports district,” means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. “Sports wagering,” means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or any other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events.

Sports wagering shall not include:

(1) a fantasy sports contest comprising multiple participants competing against one another in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. A fantasy sports contest operator shall not qualify as a “participant” for purposes of this section; and

(2) wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant; and

(3) wagering on youth or high school events.

l. “Sports wagering operator,” means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

m. “Tier one sports wager,” means a sports wager that is determined solely by the final score or final outcome of the sporting event and is placed before the sporting event has begun.

n. “Tier two sports wager,” means a sports wager that is not a tier one sports wager.

17. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

18. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.



RECEIVED

OCT 04 2023

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

STATE AUDITORS OFFICE

ELECTIONS DIVISION
(573) 751-2301

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

October 4, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article III, version 6 (2024-151)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on October 3, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission pursuant to Article III, Section 39(g) may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. A licensee shall not offer sports wagering to individuals who are under twenty-one years of age.

4. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

c. The Commission shall issue not more than four mobile licenses to operate sports wagering in this state directly to qualified applicants that are sports wagering operators. Each sports wagering operator shall only be eligible for one mobile license per distinct sports wagering operator brand. For purposes of Article III, Section 39(g) brand shall refer to the name, trade name, licensed trademark, or assumed business name of the sports wagering operator. If there are more than four qualified applicants for a mobile license to be issued by the Commission directly to a sports wagering operator under this section, the Commission shall select the applicant for licensure based on the applicant's ability to satisfy the following criteria:

(1) Expertise in the business of online sports wagering;

(2) Integrity, sustainability, and safety of the applicant's online sports wagering platform;

(3) Past relevant experience of the applicant;

(4) Advertising and promotional plans to increase and sustain revenue;

(5) Ability to generate, maximize, and sustain revenues for the state;

(6) Demonstrated commitment to and plans for the promotion of responsible gaming; and

- (7) Capacity to increase the number of bettors on the applicant's online sports wagering platform.
5. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control. In the application, the Commission shall require applicants to disclose the identity of all of the following:
- a. The applicant's principal owners who directly own 10% or more of the applicant;
 - b. Each holding, intermediary, or parent company that directly owns 15% or more of the applicant; and
 - c. The applicant's board appointed chief executive officer and chief financial officer, or the equivalent individuals, as determined by the Commission.
6. Retail and mobile license applicants shall be required to pay a license fee as follows:
- a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.
 - b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.
7. a. A license for sports wagering shall not be assignable or transferable without approval of the Commission. Such approval shall not be unreasonably withheld.
- b. A license shall authorize a licensee to offer sports wagering under not more than one sports wagering operator brand, provided, however, that such licensee shall also be permitted, but not required, to use the brand of a professional team or excursion gambling boat pursuant to a partnership with such entity. Notwithstanding any other provision of law to the contrary and subject to approval by the Commission, a person or entity may hold and operate more than one license under distinct sports wagering operator brands, regardless of whether multiple brands are owned by the same parent entity.
- c. Commercial agreements between an excursion gambling boat or a professional sports team and a sports wagering operator shall be submitted to the Commission as agreed to by the contracting parties. The Commission shall not prescribe any terms or conditions that are required to be included into such commercial agreements. A sports governing body or professional sports team may enter into commercial agreements with sports wagering operators or other entities in which such sports governing body or professional sports team may share in the amount wagered on sporting events of such sports governing body or professional sports team. A professional sports team may grant any such rights provided under this paragraph to its affiliate. Neither a sports governing body nor a professional sports team, nor such team's affiliate, is required to obtain a license or any other approval from the Commission to lawfully accept such amounts.
- d. Each mobile licensee shall determine, set, and display applicable lines, point spreads, odds, or other information pertaining to online sports wagering.
- e. Any submission to the Commission under this section, including all documents, reports, and data submitted therewith, that contain proprietary information, trade secrets, financial information, or personal information about any person or entity shall be treated in the same confidential manner as submissions by other licensees of the Commission and shall not be subject to disclosure pursuant to Chapter 610 RSMo.
8. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:

a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and

b. to the extent all reasonable expenses incurred by the Commission have been reimbursed, the remaining fees shall be deposited in the Compulsive Gaming Prevention Fund.

9. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce commercially reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall examine the rules implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework, including, but not limited to:

a. Standards governing the security and integrity of sports wagering, including requiring the use of official league data on the terms and conditions set forth below from each applicable sports governing body headquartered in the United States solely for the purposes of determining the outcome of tier two sports wagers on a professional athlete or sporting event, but only if made available to licensees on commercially reasonable terms. Sports wagering operators may use any data source for determining the results of any and all tier one sports wagers on any and all sporting events, and the results of any and all tier two sports wagers on sporting events of an organization that is not headquartered in the United States.

(1) A sports governing body may notify the Commission that it desires sports wagering operators to use official league data to settle tier two sports wagers on sporting events of such sports governing body. Such notification shall be made in the form and manner the Commission may require. The Commission shall notify each sports wagering operator of a sports governing body's notification within five days of the Commission's receipt of such notification. If a sports governing body does not notify the Commission of its desire to supply official league data, a sports wagering operator may use any data source for determining the results of any and all tier two sports wagers on sporting events of such sports governing body.

(2) Within 60 days of the Commission notifying each sports wagering operator of a sports governing body's notification to the Commission, or such longer period as may be agreed between the sports governing body and the applicable sports wagering operator, sports wagering operators shall use only official league data to determine the results of tier two sports wagers on sporting events of that sports governing body, unless:

(a) The sports governing body or its designee cannot provide a feed of official league data to determine the results of a particular type of tier two sports wager, in which case sports wagering operators may use any data source for determining the results of the applicable tier two sports wager until such time as such a data feed becomes available from the sports governing body on commercially reasonable terms and conditions;

(b) A sports wagering operator can demonstrate to the Commission that the sports governing body or its designee will not provide a feed of official league data to the sports wagering operator on commercially reasonable terms and conditions; or

(c) The sports governing body or its designee does not obtain the necessary supplier approvals to provide official league data to sports wagering operators to determine the results of tier two sports wagers, if and to the extent required by law.

(3) The following is a non-exclusive list of factors that the Commission may consider in evaluating official league data is being offered on commercially reasonable terms and conditions for the purposes of paragraphs (a) and (b) of subsection (2):

(a) The availability of a sports governing body's tier two official league data to a sports wagering operator from more than one authorized source;

(b) Market information, including, but not limited to, price and other terms and conditions, regarding the purchase by sports wagering operators of comparable data for the purpose of settling sports wagers in this state and other jurisdictions;

(c) The nature and quantity of data, including the quality and complexity of the process utilized for collecting such data; and

(d) The extent to which sports governing bodies or their designees have made data used to settle tier two bets or wagers available to operators and any terms and conditions relating to the use of that data.

(4) Notwithstanding anything set forth to the contrary herein, including without limitation subparagraph (3), during the pendency of the Commission's determination as to whether a sports governing body or its designee will provide a feed of official league data on commercially reasonable terms, a sports wagering operator may use any data source for determining the results of any and all tier two sports wagers. The Commission's determination shall be made within 120 days of the sports wagering operator notifying the Commission that it desires to demonstrate that the sports governing body or its designee will not provide a feed of official league data to the sports wagering operator on commercially reasonable terms.

b. Standards concerning a licensee's books and financial records relating to sports wagering, including auditing requirements, standards for the daily counting of a licensee's gross receipts from sports wagering, and standards to ensure that internal controls are followed;

c. Standards for the use and distribution of monies from the Compulsive Gaming Prevention Fund shall include, but not be limited to, research, detection, and prevention of compulsive gaming, the implementation of treatment and recovery programs, or services related to compulsive gaming in this state;

d. Standards concerning the detection and prevention of compulsive gaming including, but not limited to, requirements to prominently display information regarding compulsive gaming on all online sports wagering platforms and promotions;

e. Requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;

f. Standards for licensees and sports wagering operators to report to the Commission and the sports governing bodies information related to: abnormal betting activity or patterns that may indicate a concern with the integrity of a sporting event or events; suspicious or illegal betting activities if known to the applicable licensee or sports wagering operator; and any other conduct that corrupts a betting outcome of a sporting event or events for purposes of financial gain, including match fixing;

g. Standards for any sports governing body to submit to the Commission a written request to restrict, limit, or exclude a certain type, form, or category of sports betting with respect to a sporting event of that sports governing body, if the applicable sports governing body believes that such type, form, or category of sports wagering with respect to the sporting event of the sports governing body may undermine the integrity or perceived integrity of the applicable sports governing body or sporting events of the applicable sports governing body.

These standards shall also require the Commission to request comment from sports wagering operators on all requests made pursuant to this paragraph and after giving due consideration to all comments received, the Commission shall, upon a demonstration of good cause from the applicable sports governing body that such type, form, or category of sports betting is likely to undermine the integrity or perceived integrity of such body or sporting events of the applicable sports governing body, grant the request.

These standards shall require the Commission to respond to a request concerning a sporting event before the start of the event, or, if it is not feasible to respond before the start of the event, no later than 7 days after the request is made, and if the Commission determines that the applicable sports governing body is more likely than not to prevail in successfully demonstrating good cause for its request, the Commission may provisionally grant the request of the applicable sports governing body pending the Commission's final determination thereon. Unless the Commission provisionally grants the request, sports wagering operators may continue to offer sports betting and accept bets on the covered sporting event pending a final determination by the Commission;

h. Requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;

i. Standards for the regulation of suppliers of sports wagering goods, services, software, or any other components necessary for the creation of sports wagering markets and determination of wager outcomes;

j. Standards for the implementation of responsible gaming programs, including using commercially reasonable efforts to verify that a person placing a bet on a sporting event is of the legal minimum age for placing such bet, displaying a hyperlink on its online sports wagering platform to responsible gaming information, allowing individuals to voluntarily exclude themselves from placing bets with the operator through a process established by the Commission, and allowing persons to place limits on their time, deposit, or bet limits in a daily, weekly, or monthly manner;

k. Establishing fines, placing licensees on probation, and revoking licenses for violations of this section. The Commission may impose fines upon any person holding, or required to hold, a license or approval under this section or the rules subsequently adopted. Fines shall not exceed \$50,000 per violation or \$100,000 resulting from violation of the same occurrence of events. The Commission shall promulgate rules relating to procedures for disciplinary hearings, including that any such decision may be appealed to circuit court;

l. Establishing a start date for all sports wagering that is not later than December 1, 2025. No sports wagering, either retail or mobile, shall be offered in the state before such start date established by the Commission. No category of license shall be given an earlier launch date over any other category of license.

10. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports wagering conducted by each licensee and each sports wagering operator acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in this state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(1) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(2) the greater of 10% of such annual tax revenues or \$5,000,000 to the Compulsive Gaming Fund.

c. Such revenues shall not be included within the definition of “total state revenues” in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

11. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.

12. All wagers authorized under this section must be initiated, made, or otherwise placed by a bettor while physically present within this state. The intermediate routing of electronic data related to lawful intrastate wagers authorized under this section shall not determine the location or locations in which the bet is initiated, transmitted, received, or otherwise made. Each online sports wagering operator shall use commercially reasonable geolocation and geofencing

technology to ensure that it accepts bets only from customers who, at the time of placing the bet, are physically present in this state.

13. a. An individual wagering in this state shall establish an online sports wagering account with an online sports wagering operator:

(1) over the Internet;

(2) through an online sports wagering platform; or

(3) through other means approved by the Commission.

b. An individual wagering in this State shall not register more than one account with each online sports wagering platform. Mobile licensees shall use commercially reasonable means to ensure that each customer is limited to one account per platform.

c. Permissible methods of funding and withdrawal for accounts include, but are not limited to, credit cards, debit cards, gift cards, reloadable prepaid cards, free and promotional credit, automated clearing house transfers, online and mobile payment systems that support online money transfers, and wire transfers. The Commission may approve additional funding and withdrawal methods including, but not limited to, cash deposits at approved locations and secure cryptocurrencies.

14. a. A sports wagering operator shall use commercially and technologically reasonable means to ensure marketing and advertisements do not purposefully target individuals who have self-excluded from placing bets on sporting events.

b. A sports wagering operator shall employ commercially reasonable methods to ensure that advertisements for sports betting:

(1) do not purposefully target minors;

(2) are not false, misleading, or deceptive to a reasonable consumer; and

(3) clearly and conspicuously disclose the material terms of any promotional offer in the advertisement. Any promotion or advertisement must provide the consumer with the full and complete terms of a promotion by providing a website, or other location, in the promotional advertisement, that directs the viewer to where the full and complete promotional terms can be viewed. This may be satisfied by the promotional advertisement containing a hyperlink that takes the viewer directly to the full and complete offer and terms.

15. There is hereby created in the state treasury the “Compulsive Gaming Prevention Fund”, which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall be utilized by the Commission for the purposes of:

a. providing counseling and other support services for compulsive and problem gamers;

b. developing and implementing problem gaming treatment and prevention programs; and

c. providing grants to supporting organizations that provide assistance to compulsive gamers.

16. As used in this section the following terms shall mean:

a. “Adjusted gross revenue,” the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

(1) All cash and cash equivalents paid out as winnings to sports wagering customers

(2) The actual costs paid by a licensee for anything of value provided to and redeemed by customers, including merchandise or services distributed to sports wagering customers to incentivize sports wagering;

(3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee's customers, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering customers

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the licensee shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. "Commission," means the Missouri Gaming Commission;

c. "Excursion gambling boat," means an excursion gambling boat or floating facility as described in Article III, Section 39(c);

d. "License," means any retail license or mobile license.

e. "Licensee," means the holder of any retail or mobile license.

f. "Mobile license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. "Online sports wagering platform," means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate mobile sports wagering.

h. "Professional sports team," means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women's National Basketball Association, or the National Women's Soccer League.

i. "Retail license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. "Sports district," means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. "Sports wagering," means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or any other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events.

Sports wagering shall not include:

(1) a fantasy sports contest comprising multiple participants competing against one another in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. A fantasy sports contest operator shall not qualify as a "participant" for purposes of this section; and

(2) wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant; and

(3) wagering on youth or high school events.

l. "Sports wagering operator," means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

m. "Tier one sports wager," means a sports wager that is determined solely by the final score or final outcome of the sporting event and is placed before the sporting event has begun.

n. "Tier two sports wager," means a sports wager that is not a tier one sports wager.

17. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

18. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.



RECEIVED

OCT 04 2023

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

STATE AUDITORS OFFICE

ELECTIONS DIVISION
(573) 751-2301

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

October 4, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article III, version 5 (2024-150)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on October 3, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission pursuant to Article III, Section 39(g) may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. A licensee shall not offer sports wagering to individuals who are under twenty-one years of age.

4. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

c. The Commission shall issue not more than three mobile licenses to operate sports wagering in this state directly to qualified applicants that are sports wagering operators. Each sports wagering operator shall only be eligible for one mobile license per distinct sports wagering operator brand. For purposes of Article III, Section 39(g) brand shall refer to the name, trade name, licensed trademark, or assumed business name of the sports wagering operator. If there are more than three qualified applicants for a mobile license to be issued by the Commission directly to a sports wagering operator under this section, the Commission shall select the applicant for licensure based on the applicant's ability to satisfy the following criteria:

(1) Expertise in the business of online sports wagering;

(2) Integrity, sustainability, and safety of the applicant's online sports wagering platform;

(3) Past relevant experience of the applicant;

(4) Advertising and promotional plans to increase and sustain revenue;

(5) Ability to generate, maximize, and sustain revenues for the state;

(6) Demonstrated commitment to and plans for the promotion of responsible gaming; and

(7) Capacity to increase the number of bettors on the applicant's online sports wagering platform.

5. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control. In the application, the Commission shall require applicants to disclose the identity of all of the following:

a. The applicant's principal owners who directly own 10% or more of the applicant;

b. Each holding, intermediary, or parent company that directly owns 15% or more of the applicant; and

c. The applicant's board appointed chief executive officer and chief financial officer, or the equivalent individuals, as determined by the Commission.

6. Retail and mobile license applicants shall be required to pay a license fee as follows:

a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.

b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.

7. a. A license for sports wagering shall not be assignable or transferable without approval of the Commission. Such approval shall not be unreasonably withheld.

b. A license shall authorize a licensee to offer sports wagering under not more than one sports wagering operator brand, provided, however, that such licensee shall also be permitted, but not required, to use the brand of a professional team or excursion gambling boat pursuant to a partnership with such entity. Notwithstanding any other provision of law to the contrary and subject to approval by the Commission, a person or entity may hold and operate more than one license under distinct sports wagering operator brands, regardless of whether multiple brands are owned by the same parent entity.

c. Commercial agreements between an excursion gambling boat or a professional sports team and a sports wagering operator shall be submitted to the Commission as agreed to by the contracting parties. The Commission shall not prescribe any terms or conditions that are required to be included into such commercial agreements. A sports governing body or professional sports team may enter into commercial agreements with sports wagering operators or other entities in which such sports governing body or professional sports team may share in the amount wagered on sporting events of such sports governing body or professional sports team. A professional sports team may grant any such rights provided under this paragraph to its affiliate. Neither a sports governing body nor a professional sports team, nor such team's affiliate, is required to obtain a license or any other approval from the Commission to lawfully accept such amounts.

d. Each mobile licensee shall determine, set, and display applicable lines, point spreads, odds, or other information pertaining to online sports wagering.

e. Any submission to the Commission under this section, including all documents, reports, and data submitted therewith, that contain proprietary information, trade secrets, financial information, or personal information about any person or entity shall be treated in the same confidential manner as submissions by other licensees of the Commission and shall not be subject to disclosure pursuant to Chapter 610 RSMo.

8. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:

a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and

b. to the extent all reasonable expenses incurred by the Commission have been reimbursed, the remaining fees shall be deposited in the Compulsive Gaming Prevention Fund.

9. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce commercially reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall examine the rules implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework, including, but not limited to:

a. Standards governing the security and integrity of sports wagering, including requiring the use of official league data on the terms and conditions set forth below from each applicable sports governing body headquartered in the United States solely for the purposes of determining the outcome of tier two sports wagers on a professional athlete or sporting event, but only if made available to licensees on commercially reasonable terms. Sports wagering operators may use any data source for determining the results of any and all tier one sports wagers on any and all sporting events, and the results of any and all tier two sports wagers on sporting events of an organization that is not headquartered in the United States.

(1) A sports governing body may notify the Commission that it desires sports wagering operators to use official league data to settle tier two sports wagers on sporting events of such sports governing body. Such notification shall be made in the form and manner the Commission may require. The Commission shall notify each sports wagering operator of a sports governing body's notification within five days of the Commission's receipt of such notification. If a sports governing body does not notify the Commission of its desire to supply official league data, a sports wagering operator may use any data source for determining the results of any and all tier two sports wagers on sporting events of such sports governing body.

(2) Within 60 days of the Commission notifying each sports wagering operator of a sports governing body's notification to the Commission, or such longer period as may be agreed between the sports governing body and the applicable sports wagering operator, sports wagering operators shall use only official league data to determine the results of tier two sports wagers on sporting events of that sports governing body, unless:

(a) The sports governing body or its designee cannot provide a feed of official league data to determine the results of a particular type of tier two sports wager, in which case sports wagering operators may use any data source for determining the results of the applicable tier two sports wager until such time as such a data feed becomes available from the sports governing body on commercially reasonable terms and conditions;

(b) A sports wagering operator can demonstrate to the Commission that the sports governing body or its designee will not provide a feed of official league data to the sports wagering operator on commercially reasonable terms and conditions; or

(c) The sports governing body or its designee does not obtain the necessary supplier approvals to provide official league data to sports wagering operators to determine the results of tier two sports wagers, if and to the extent required by law.

(3) The following is a non-exclusive list of factors that the Commission may consider in evaluating official league data is being offered on commercially reasonable terms and conditions for the purposes of paragraphs (a) and (b) of subsection (2):

(a) The availability of a sports governing body's tier two official league data to a sports wagering operator from more than one authorized source;

(b) Market information, including, but not limited to, price and other terms and conditions, regarding the purchase by sports wagering operators of comparable data for the purpose of settling sports wagers in this state and other jurisdictions;

(c) The nature and quantity of data, including the quality and complexity of the process utilized for collecting such data; and

(d) The extent to which sports governing bodies or their designees have made data used to settle tier two bets or wagers available to operators and any terms and conditions relating to the use of that data.

(4) Notwithstanding anything set forth to the contrary herein, including without limitation subparagraph (3), during the pendency of the Commission's determination as to whether a sports governing body or its designee will provide a feed of official league data on commercially reasonable terms, a sports wagering operator may use any data source for determining the results of any and all tier two sports wagers. The Commission's determination shall be made within 120 days of the sports wagering operator notifying the Commission that it desires to demonstrate that the sports governing body or its designee will not provide a feed of official league data to the sports wagering operator on commercially reasonable terms.

b. Standards concerning a licensee's books and financial records relating to sports wagering, including auditing requirements, standards for the daily counting of a licensee's gross receipts from sports wagering, and standards to ensure that internal controls are followed;

c. Standards for the use and distribution of monies from the Compulsive Gaming Prevention Fund shall include, but not be limited to, research, detection, and prevention of compulsive gaming, the implementation of treatment and recovery programs, or services related to compulsive gaming in this state;

d. Standards concerning the detection and prevention of compulsive gaming including, but not limited to, requirements to prominently display information regarding compulsive gaming on all online sports wagering platforms and promotions;

e. Requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;

f. Standards for licensees and sports wagering operators to report to the Commission and the sports governing bodies information related to: abnormal betting activity or patterns that may indicate a concern with the integrity of a sporting event or events; suspicious or illegal betting activities if known to the applicable licensee or sports wagering operator; and any other conduct that corrupts a betting outcome of a sporting event or events for purposes of financial gain, including match fixing;

g. Standards for any sports governing body to submit to the Commission a written request to restrict, limit, or exclude a certain type, form, or category of sports betting with respect to a sporting event of that sports governing body, if the applicable sports governing body believes that such type, form, or category of sports wagering with respect to the sporting event of the sports governing body may undermine the integrity or perceived integrity of the applicable sports governing body or sporting events of the applicable sports governing body.

These standards shall also require the Commission to request comment from sports wagering operators on all requests made pursuant to this paragraph and after giving due consideration to all comments received, the Commission shall, upon a demonstration of good cause from the applicable sports governing body that such type, form, or category of sports betting is likely to undermine the integrity or perceived integrity of such body or sporting events of the applicable sports governing body, grant the request.

These standards shall require the Commission to respond to a request concerning a sporting event before the start of the event, or, if it is not feasible to respond before the start of the event, no later than 7 days after the request is made, and if the Commission determines that the applicable sports governing body is more likely than not to prevail in successfully demonstrating good cause for its request, the Commission may provisionally grant the request of the applicable sports governing body pending the Commission's final determination thereon. Unless the Commission provisionally grants the request, sports wagering operators may continue to offer sports betting and accept bets on the covered sporting event pending a final determination by the Commission;

h. Requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;

i. Standards for the regulation of suppliers of sports wagering goods, services, software, or any other components necessary for the creation of sports wagering markets and determination of wager outcomes;

j. Standards for the implementation of responsible gaming programs, including using commercially reasonable efforts to verify that a person placing a bet on a sporting event is of the legal minimum age for placing such bet, displaying a hyperlink on its online sports wagering platform to responsible gaming information, allowing individuals to voluntarily exclude themselves from placing bets with the operator through a process established by the Commission, and allowing persons to place limits on their time, deposit, or bet limits in a daily, weekly, or monthly manner;

k. Establishing fines, placing licensees on probation, and revoking licenses for violations of this section. The Commission may impose fines upon any person holding, or required to hold, a license or approval under this section or the rules subsequently adopted. Fines shall not exceed \$50,000 per violation or \$100,000 resulting from violation of the same occurrence of events. The Commission shall promulgate rules relating to procedures for disciplinary hearings, including that any such decision may be appealed to circuit court;

l. Establishing a start date for all sports wagering that is not later than December 1, 2025. No sports wagering, either retail or mobile, shall be offered in the state before such start date established by the Commission. No category of license shall be given an earlier launch date over any other category of license.

10. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports wagering conducted by each licensee and each sports wagering operator acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in this state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(1) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(2) the greater of 10% of such annual tax revenues or \$5,000,000 to the Compulsive Gaming Fund.

c. Such revenues shall not be included within the definition of “total state revenues” in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

11. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.

12. All wagers authorized under this section must be initiated, made, or otherwise placed by a bettor while physically present within this state. The intermediate routing of electronic data related to lawful intrastate wagers authorized under this section shall not determine the location or locations in which the bet is initiated, transmitted, received, or otherwise made. Each online sports wagering operator shall use commercially reasonable geolocation and geofencing

technology to ensure that it accepts bets only from customers who, at the time of placing the bet, are physically present in this state.

13. a. An individual wagering in this state shall establish an online sports wagering account with an online sports wagering operator:

(1) over the Internet;

(2) through an online sports wagering platform; or

(3) through other means approved by the Commission.

b. An individual wagering in this State shall not register more than one account with each online sports wagering platform. Mobile licensees shall use commercially reasonable means to ensure that each customer is limited to one account per platform.

c. Permissible methods of funding and withdrawal for accounts include, but are not limited to, credit cards, debit cards, gift cards, reloadable prepaid cards, free and promotional credit, automated clearing house transfers, online and mobile payment systems that support online money transfers, and wire transfers. The Commission may approve additional funding and withdrawal methods including, but not limited to, cash deposits at approved locations and secure cryptocurrencies.

14. a. A sports wagering operator shall use commercially and technologically reasonable means to ensure marketing and advertisements do not purposefully target individuals who have self-excluded from placing bets on sporting events.

b. A sports wagering operator shall employ commercially reasonable methods to ensure that advertisements for sports betting:

(1) do not purposefully target minors;

(2) are not false, misleading, or deceptive to a reasonable consumer; and

(3) clearly and conspicuously disclose the material terms of any promotional offer in the advertisement. Any promotion or advertisement must provide the consumer with the full and complete terms of a promotion by providing a website, or other location, in the promotional advertisement, that directs the viewer to where the full and complete promotional terms can be viewed. This may be satisfied by the promotional advertisement containing a hyperlink that takes the viewer directly to the full and complete offer and terms.

15. There is hereby created in the state treasury the “Compulsive Gaming Prevention Fund”, which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall be utilized by the Commission for the purposes of:

a. providing counseling and other support services for compulsive and problem gamers;

b. developing and implementing problem gaming treatment and prevention programs; and

c. providing grants to supporting organizations that provide assistance to compulsive gamers.

16. As used in this section the following terms shall mean:

a. “Adjusted gross revenue,” the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

(1) All cash and cash equivalents paid out as winnings to sports wagering customers

(2) The actual costs paid by a licensee for anything of value provided to and redeemed by customers, including merchandise or services distributed to sports wagering customers to incentivize sports wagering;

(3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee's customers, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering customers

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the licensee shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. "Commission," means the Missouri Gaming Commission;

c. "Excursion gambling boat," means an excursion gambling boat or floating facility as described in Article III, Section 39(e);

d. "License," means any retail license or mobile license.

e. "Licensee," means the holder of any retail or mobile license.

f. "Mobile license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. "Online sports wagering platform," means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate mobile sports wagering.

h. "Professional sports team," means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women's National Basketball Association, or the National Women's Soccer League.

i. "Retail license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. "Sports district," means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. "Sports wagering," means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or any other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events.

Sports wagering shall not include:

(1) a fantasy sports contest comprising multiple participants competing against one another in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. A fantasy sports contest operator shall not qualify as a "participant" for purposes of this section; and

(2) wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant; and

(3) wagering on youth or high school events.

l. "Sports wagering operator," means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

m. "Tier one sports wager," means a sports wager that is determined solely by the final score or final outcome of the sporting event and is placed before the sporting event has begun.

n. "Tier two sports wager," means a sports wager that is not a tier one sports wager.

17. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

18. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.



RECEIVED

OCT 04 2023

STATE AUDITORS OFFICE

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

October 4, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article III, version 4 (2024-149)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on October 3, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission pursuant to Article III, Section 39(g) may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. A licensee shall not offer sports wagering to individuals who are under twenty-one years of age.

4. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

c. The Commission shall issue not more than three mobile licenses to operate sports wagering in this state directly to qualified applicants that are sports wagering operators. Each sports wagering operator shall only be eligible for one mobile license per distinct sports wagering operator brand. For purposes of Article III, Section 39(g) brand shall refer to the name, trade name, licensed trademark, or assumed business name of the sports wagering operator. If there are more than three qualified applicants for a mobile license to be issued by the Commission directly to a sports wagering operator under this section, the Commission shall select the applicant for licensure based on the applicant's ability to satisfy the following criteria:

(1) Expertise in the business of online sports wagering;

(2) Integrity, sustainability, and safety of the applicant's online sports wagering platform;

(3) Past relevant experience of the applicant;

(4) Advertising and promotional plans to increase and sustain revenue;

(5) Ability to generate, maximize, and sustain revenues for the state;

(6) Demonstrated commitment to and plans for the promotion of responsible gaming; and

(7) Capacity to increase the number of bettors on the applicant's online sports wagering platform.

5. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control.

6. Retail and mobile license applicants shall be required to pay a license fee as follows:

a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.

b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.

7. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:

a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and

b. to the extent all reasonable expenses incurred by the Commission have been reimbursed, the remaining fees shall be deposited in the Compulsive Gaming Prevention Fund.

8. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce commercially reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall examine the rules implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework, including, but not limited to:

a. Standards governing the security and integrity of sports wagering, including requiring the use of official league data from each applicable sports governing body headquartered in the United States solely for the purposes of determining the outcome of tier two sports wagers on a professional athlete or sporting event, but only if made available to licensees on commercially reasonable terms. Sports wagering operators may use any data source for determining the results of any and all tier one sports wagers on any and all sporting events, and the results of any and all tier two sports wagers on sporting events of an organization that is not headquartered in the United States.

b. Standards for the use and distribution of monies from the Compulsive Gaming Prevention Fund shall include, but not be limited to research, detection, and prevention of compulsive gaming, the implementation of treatment and recovery programs, or services related to compulsive gaming in this state;

c. Requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;

d. Requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;

e. Establishing fines, placing licensees on probation, and revoking licenses for violations of this section. The Commission may impose fines upon any person holding, or required to hold, a license or approval under this section or the rules subsequently adopted. Fines shall not exceed

\$50,000 per violation or \$100,000 resulting from violation of the same occurrence of events. The Commission shall promulgate rules relating to procedures for disciplinary hearings, including that any such decision may be appealed to circuit court; and

f. Establishing a start date for all sports wagering that is not later than December 1, 2025. No sports wagering, either retail or mobile, shall be offered in the state before such start date established by the Commission. No category of license shall be given an earlier launch date over any other category of license.

9. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports wagering conducted by each licensee and each sports wagering operator acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in this state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(1) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(2) the greater of 10% of such annual tax revenues or \$5,000,000 to the Compulsive Gaming Fund.

c. Such revenues shall not be included within the definition of “total state revenues” in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

10. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.

There is hereby created in the state treasury the “Compulsive Gaming Prevention Fund”, which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall be utilized by the Commission for the purposes of:

a. providing counseling and other support services for compulsive and problem gamers;

b. developing and implementing problem gaming treatment and prevention programs; and

c. providing grants to supporting organizations that provide assistance to compulsive gamers.

11. As used in this section the following terms shall mean:

a. “Adjusted gross revenue,” the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

(1) All cash and cash equivalents paid out as winnings to sports wagering customers;

(2) The actual costs paid by a licensee for anything of value provided to and redeemed by customers, including merchandise or services distributed to sports wagering customers to incentivize sports wagering;

(3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee's customers, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering customers.

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the licensee shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. "Commission," means the Missouri Gaming Commission;

c. "Excursion gambling boat," means an excursion gambling boat or floating facility as described in Article III, Section 39(e);

d. "License," means any retail license or mobile license.

e. "Licensee," means the holder of any retail or mobile license.

f. "Mobile license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. "Online sports wagering platform," means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate mobile sports wagering.

h. "Professional sports team," means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women's National Basketball Association, or the National Women's Soccer League.

i. "Retail license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. "Sports district," means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. "Sports wagering," means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or any other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events.

Sports wagering shall not include:

(1) a fantasy sports contest comprising multiple participants competing against one another in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. A fantasy sports contest operator shall not qualify as a "participant" for purposes of this section;

(2) wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant; and

(3) wagering on youth or high school events.

l. “Sports wagering operator,” means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

m. “Tier one sports wager,” means a sports wager that is determined solely by the final score or final outcome of the sporting event and is placed before the sporting event has begun.

n. “Tier two sports wager,” means a sports wager that is not a tier one sports wager.

12. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

13. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.



RECEIVED

OCT 04 2023

STATE AUDITORS OFFICE

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

October 4, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article III, version 3 (2024-148)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on October 3, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____, I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
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9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission pursuant to Article III, Section 39(g) may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. A licensee shall not offer sports wagering to individuals who are under twenty-one years of age.

4. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

c. The Commission shall issue not more than four mobile licenses to operate sports wagering in this state directly to qualified applicants that are sports wagering operators. Each sports wagering operator shall only be eligible for one mobile license per distinct sports wagering operator brand. For purposes of Article III, Section 39(g) brand shall refer to the name, trade name, licensed trademark, or assumed business name of the sports wagering operator. If there are more than four qualified applicants for a mobile license to be issued by the Commission directly to a sports wagering operator under this section, the Commission shall select the applicant for licensure based on the applicant's ability to satisfy the following criteria:

(1) Expertise in the business of online sports wagering;

(2) Integrity, sustainability, and safety of the applicant's online sports wagering platform;

(3) Past relevant experience of the applicant;

(4) Advertising and promotional plans to increase and sustain revenue;

(5) Ability to generate, maximize, and sustain revenues for the state;

(6) Demonstrated commitment to and plans for the promotion of responsible gaming; and

(7) Capacity to increase the number of bettors on the applicant's online sports wagering platform.

5. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control.

6. Retail and mobile license applicants shall be required to pay a license fee as follows:

a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.

b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.

7. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:

a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and

b. to the extent all reasonable expenses incurred by the Commission have been reimbursed, the remaining fees shall be deposited in the Compulsive Gaming Prevention Fund.

8. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce commercially reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall examine the rules implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework, including, but not limited to:

a. Standards governing the security and integrity of sports wagering, including requiring the use of official league data from each applicable sports governing body headquartered in the United States solely for the purposes of determining the outcome of tier two sports wagers on a professional athlete or sporting event, but only if made available to licensees on commercially reasonable terms. Sports wagering operators may use any data source for determining the results of any and all tier one sports wagers on any and all sporting events, and the results of any and all tier two sports wagers on sporting events of an organization that is not headquartered in the United States.

b. Standards for the use and distribution of monies from the Compulsive Gaming Prevention Fund shall include, but not be limited to research, detection, and prevention of compulsive gaming, the implementation of treatment and recovery programs, or services related to compulsive gaming in this state;

c. Requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;

d. Requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;

e. Establishing fines, placing licensees on probation, and revoking licenses for violations of this section. The Commission may impose fines upon any person holding, or required to hold, a license or approval under this section or the rules subsequently adopted. Fines shall not exceed

\$50,000 per violation or \$100,000 resulting from violation of the same occurrence of events. The Commission shall promulgate rules relating to procedures for disciplinary hearings, including that any such decision may be appealed to circuit court; and

f. Establishing a start date for all sports wagering that is not later than December 1, 2025. No sports wagering, either retail or mobile, shall be offered in the state before such start date established by the Commission. No category of license shall be given an earlier launch date over any other category of license.

9. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports wagering conducted by each licensee and each sports wagering operator acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in this state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(1) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(2) the greater of 10% of such annual tax revenues or \$5,000,000 to the Compulsive Gaming Fund.

c. Such revenues shall not be included within the definition of “total state revenues” in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

10. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.

There is hereby created in the state treasury the “Compulsive Gaming Prevention Fund”, which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall be utilized by the Commission for the purposes of:

a. providing counseling and other support services for compulsive and problem gamers;

b. developing and implementing problem gaming treatment and prevention programs; and

c. providing grants to supporting organizations that provide assistance to compulsive gamers.

11. As used in this section the following terms shall mean:

a. “Adjusted gross revenue,” the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

(1) All cash and cash equivalents paid out as winnings to sports wagering customers;

(2) The actual costs paid by a licensee for anything of value provided to and redeemed by customers, including merchandise or services distributed to sports wagering customers to incentivize sports wagering;

(3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee's customers, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering customers.

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the licensee shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. "Commission," means the Missouri Gaming Commission;

c. "Excursion gambling boat," means an excursion gambling boat or floating facility as described in Article III, Section 39(e);

d. "License," means any retail license or mobile license.

e. "Licensee," means the holder of any retail or mobile license.

f. "Mobile license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. "Online sports wagering platform," means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate mobile sports wagering.

h. "Professional sports team," means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women's National Basketball Association, or the National Women's Soccer League.

i. "Retail license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. "Sports district," means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. "Sports wagering," means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or any other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events.

Sports wagering shall not include:

(1) a fantasy sports contest comprising multiple participants competing against one another in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. A fantasy sports contest operator shall not qualify as a "participant" for purposes of this section;

(2) wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant; and

(3) wagering on youth or high school events.

l. "Sports wagering operator," means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

m. "Tier one sports wager," means a sports wager that is determined solely by the final score or final outcome of the sporting event and is placed before the sporting event has begun.

n. "Tier two sports wager," means a sports wager that is not a tier one sports wager.

12. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

13. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

RECEIVED

OCT 04 2023

STATE AUDITORS OFFICE
ELECTIONS DIVISION
(573) 751-2301

October 4, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article III, version 2 (2024-147)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on October 3, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission pursuant to Article III, Section 39(g) may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. A licensee shall not offer sports wagering to individuals who are under twenty-one years of age.

4. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

5. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control.

6. Retail and mobile license applicants shall be required to pay a license fee as follows:

a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.

b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.

7. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:

a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and

b. to the extent all reasonable expenses incurred by the Commission have been reimbursed, the remaining fees shall be deposited in the Compulsive Gaming Prevention Fund.

8. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce commercially reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall examine the rules implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework, including, but not limited to:

a. Standards governing the security and integrity of sports wagering, including requiring the use of official league data from each applicable sports governing body headquartered in the United States solely for the purposes of determining the outcome of tier two sports wagers on a professional athlete or sporting event, but only if made available to licensees on commercially reasonable terms. Sports wagering operators may use any data source for determining the results of any and all tier one sports wagers on any and all sporting events, and the results of any and all tier two sports wagers on sporting events of an organization that is not headquartered in the United States.

b. Standards for the use and distribution of monies from the Compulsive Gaming Prevention Fund shall include, but not be limited to research, detection, and prevention of compulsive gaming, the implementation of treatment and recovery programs, or services related to compulsive gaming in this state;

c. Requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;

d. Requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;

e. Establishing fines, placing licensees on probation, and revoking licenses for violations of this section. The Commission may impose fines upon any person holding, or required to hold, a license or approval under this section or the rules subsequently adopted. Fines shall not exceed \$50,000 per violation or \$100,000 resulting from violation of the same occurrence of events. The Commission shall promulgate rules relating to procedures for disciplinary hearings, including that any such decision may be appealed to circuit court; and

f. Establishing a start date for all sports wagering that is not later than December 1, 2025. No sports wagering, either retail or mobile, shall be offered in the state before such start date established by the Commission. No category of license shall be given an earlier launch date over any other category of license.

9. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports wagering conducted by each licensee and each sports wagering operator acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in this state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(1) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(2) the greater of 10% of such annual tax revenues or \$5,000,000 to the Compulsive Gaming Fund.

c. Such revenues shall not be included within the definition of “total state revenues” in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

10. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.

There is hereby created in the state treasury the “Compulsive Gaming Prevention Fund”, which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall be utilized by the Commission for the purposes of:

- a. providing counseling and other support services for compulsive and problem gamers;
- b. developing and implementing problem gaming treatment and prevention programs; and
- c. providing grants to supporting organizations that provide assistance to compulsive gamers.

11. As used in this section the following terms shall mean:

a. “Adjusted gross revenue,” the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

(1) All cash and cash equivalents paid out as winnings to sports wagering customers;

(2) The actual costs paid by a licensee for anything of value provided to and redeemed by customers, including merchandise or services distributed to sports wagering customers to incentivize sports wagering;

(3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee’s customers, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering customers.

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the licensee shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. “Commission,” means the Missouri Gaming Commission;

c. “Excursion gambling boat,” means an excursion gambling boat or floating facility as described in Article III, Section 39(e);

d. “License,” means any retail license or mobile license.

e. “Licensee,” means the holder of any retail or mobile license.

f. “Mobile license,” means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. “Online sports wagering platform,” means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate mobile sports wagering.

h. “Professional sports team,” means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women’s National Basketball Association, or the National Women’s Soccer League.

i. “Retail license,” means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. “Sports district,” means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. “Sports wagering,” means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or any other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events.

Sports wagering shall not include:

(1) a fantasy sports contest comprising multiple participants competing against one another in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. A fantasy sports contest operator shall not qualify as a “participant” for purposes of this section;

(2) wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant; and

(3) wagering on youth or high school events.

l. “Sports wagering operator,” means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

m. “Tier one sports wager,” means a sports wager that is determined solely by the final score or final outcome of the sporting event and is placed before the sporting event has begun.

n. “Tier two sports wager,” means a sports wager that is not a tier one sports wager.

12. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

13. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

RECEIVED
OCT 04 2023
STATE AUDITORS OFFICE
ELECTIONS DIVISION
(573) 751-2301

October 4, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article III, version 1 (2024-146)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on October 3, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
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9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission pursuant to Article III, Section 39(g) may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. A licensee shall not offer sports wagering to individuals who are under twenty-one years of age.

4. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

c. The Commission shall issue not more than two mobile licenses to operate sports wagering in this state directly to qualified applicants that are sports wagering operators. Each sports wagering operator shall only be eligible for one mobile license per distinct sports wagering operator brand. For purposes of Article III, Section 39(g) brand shall refer to the name, trade name, licensed trademark, or assumed business name of the sports wagering operator. If there are more than two qualified applicants for a mobile license to be issued by the Commission directly to a sports wagering operator under this section, the Commission shall select the applicant for licensure based on the applicant's ability to satisfy the following criteria:

(1) Expertise in the business of online sports wagering;

(2) Integrity, sustainability, and safety of the applicant's online sports wagering platform;

(3) Past relevant experience of the applicant;

(4) Advertising and promotional plans to increase and sustain revenue;

(5) Ability to generate, maximize, and sustain revenues for the state;

(6) Demonstrated commitment to and plans for the promotion of responsible gaming; and

(7) Capacity to increase the number of bettors on the applicant's online sports wagering platform.

5. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control.

6. Retail and mobile license applicants shall be required to pay a license fee as follows:

a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.

b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.

7. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:

a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and

b. to the extent all reasonable expenses incurred by the Commission have been reimbursed, the remaining fees shall be deposited in the Compulsive Gaming Prevention Fund.

8. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce commercially reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall examine the rules implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework, including, but not limited to:

a. Standards governing the security and integrity of sports wagering, including requiring the use of official league data from each applicable sports governing body headquartered in the United States solely for the purposes of determining the outcome of tier two sports wagers on a professional athlete or sporting event, but only if made available to licensees on commercially reasonable terms. Sports wagering operators may use any data source for determining the results of any and all tier one sports wagers on any and all sporting events, and the results of any and all tier two sports wagers on sporting events of an organization that is not headquartered in the United States.

b. Standards for the use and distribution of monies from the Compulsive Gaming Prevention Fund shall include, but not be limited to research, detection, and prevention of compulsive gaming, the implementation of treatment and recovery programs, or services related to compulsive gaming in this state;

c. Requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;

d. Requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;

e. Establishing fines, placing licensees on probation, and revoking licenses for violations of this section. The Commission may impose fines upon any person holding, or required to hold, a license or approval under this section or the rules subsequently adopted. Fines shall not exceed

\$50,000 per violation or \$100,000 resulting from violation of the same occurrence of events. The Commission shall promulgate rules relating to procedures for disciplinary hearings, including that any such decision may be appealed to circuit court; and

f. Establishing a start date for all sports wagering that is not later than December 1, 2025. No sports wagering, either retail or mobile, shall be offered in the state before such start date established by the Commission. No category of license shall be given an earlier launch date over any other category of license.

9. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports wagering conducted by each licensee and each sports wagering operator acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in this state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(1) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(2) the greater of 10% of such annual tax revenues or \$5,000,000 to the Compulsive Gaming Fund.

c. Such revenues shall not be included within the definition of “total state revenues” in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

10. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.

There is hereby created in the state treasury the “Compulsive Gaming Prevention Fund”, which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall be utilized by the Commission for the purposes of:

a. providing counseling and other support services for compulsive and problem gamers;

b. developing and implementing problem gaming treatment and prevention programs; and

c. providing grants to supporting organizations that provide assistance to compulsive gamers.

11. As used in this section the following terms shall mean:

a. “Adjusted gross revenue,” the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

(1) All cash and cash equivalents paid out as winnings to sports wagering customers;

(2) The actual costs paid by a licensee for anything of value provided to and redeemed by customers, including merchandise or services distributed to sports wagering customers to incentivize sports wagering;

(3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee's customers, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering customers.

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the licensee shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. "Commission," means the Missouri Gaming Commission;

c. "Excursion gambling boat," means an excursion gambling boat or floating facility as described in Article III, Section 39(e);

d. "License," means any retail license or mobile license.

e. "Licensee," means the holder of any retail or mobile license.

f. "Mobile license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. "Online sports wagering platform," means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate mobile sports wagering.

h. "Professional sports team," means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women's National Basketball Association, or the National Women's Soccer League.

i. "Retail license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. "Sports district," means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. "Sports wagering," means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or any other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events.

Sports wagering shall not include:

(1) a fantasy sports contest comprising multiple participants competing against one another in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. A fantasy sports contest operator shall not qualify as a "participant" for purposes of this section;

(2) wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant; and

(3) wagering on youth or high school events.

l. “Sports wagering operator,” means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

m. “Tier one sports wager,” means a sports wager that is determined solely by the final score or final outcome of the sporting event and is placed before the sporting event has begun.

n. “Tier two sports wager,” means a sports wager that is not a tier one sports wager.

12. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

13. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

October 3, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED
OCT 03 2023
STATE AUDITORS OFFICE

RE: Petition approval request from Byron Keelin regarding a proposed constitutional amendment to Article I (2024-145)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Byron Keelin on October 3, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any petition initiative with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (city of St. Louis); my registered voter address and name of the city, town, or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR’S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____ I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator’s Printed Name)

Name (Signature)	Date Signed	Registered Voting Address (Street)	(City, Town, or Village)	Zip Code	Congr. Dist.	Name (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

Signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address, and city, town, or village correctly and that each signer is a registered voter of the state of Missouri and _____ County. FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ____ do not ____ (Check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20____

Signature of Notary: _____ Address of Notary _____ (Seal)

NOTICE: The proposed amendment revises Article 1 of the Constitution by adopting one new Section to be known as Article I, section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended: Article I, section 36.1 of the Missouri Constitution to read as follows:

Section 36.1. This Section shall be known as "The Right to Informed Consent."

That individuals have a right to refuse interventions upon his or her person and that freedom from governmental interference with that right is a fundamental right. And that pursuant to that right, the state and any political subdivision of the state, including schools and institutions of higher education are obligated to ensure informed consent when promoting any medical intervention and shall be prohibited from passing or implementing any law, order, ordinance, regulation, or public policy that mandates, coerces, or infringes upon the individual right to refuse any medical treatment, technology, testing, facial coverings, medical devices and/or procedures, including but not limited to injections and vaccines.

Informed consent includes the right to be informed about exposure to mRNA and/or gene-altering therapies and medical technologies or treatments.

Equality of rights under the law shall not be denied or abridged to any person in this state because of the exercise of the rights ensured by this section. Nothing in this section shall be construed to secure or protect a right to abortion.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-145)**

Subject

Initiative petition from Byron Keelin regarding a proposed constitutional amendment to Article I. (Received October 03, 2023)

Date

October 23, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-145 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition is a no impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** (DOC) indicated unknown impact-this proposal seeks to prohibit DOC from implementing policy requiring injections. Currently this could affect the Department specifically as to tuberculosis testing that is required for all employees and incarcerated offenders. Assuming the language applies to the department it could have an unknown cost impact by limiting the DOC's ability to prevent infectious diseases.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-145 proposing to amend Article I.

Officials from the **Department of Revenue** indicated that after a thorough review, their department assumes this IP will not have a fiscal or administrative impact on their department or their operations.

Officials from the **Department of Public Safety** indicated no impact for their department.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to informed medical consent does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-145 will have no anticipated fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to informed medical consent does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-145 a proposed constitutional amendment to Article I, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot

measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-145 has no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-145 proposing to amend Article I.

Officials from **St. Louis County** indicated although the language is vague, it appears that this proposed initiative petition would destroy public health authority in St. Louis County and the state by preempting the use of medical interventions including immunization requirements from the Department of Health and Human Services. The language of the initiative petition is too broad to identify a precise fiscal impact. However, if the state and local public health departments are prevented from implementing mandates to protect the public from disease, the resulting cost of treatment and hospitalization may be extremely high.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Jennings School District** indicated this proposed legislation could lead to significant unforeseen costs as a result of waiving any vaccine requirements for students to attend school. Measles, polio, and other vaccines are required for students to participate in school, per the MO Department of Health and Senior Services (DHSS). This proposed bill seems to eliminate such a requirement. Eliminating such a requirement could lead to serious outbreaks of deadly and contagious diseases in schools, leading to a worsening environment for teachers, further hurting teacher recruitment and retention. Costs for shutting down schools in the case of a measles outbreak could run to \$100,000+ per month per outbreak, in terms of transportation changes, substitute teachers, specialized cleaning, communication to families, etc. This does not include the long term effect on teacher and

administrator morale loss as a result of the fear of contracting measles, polio, or another typically-required shot.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they have reviewed the petition initiative and do not see significant cost to obtaining informed consent. This opinion does not opine on the benefits or negative impact to individual students. In addition, age should be considered as it relates to emancipated individuals.

The State Auditor's office did not receive a response from the **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and University of Missouri.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

September 13, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

SEP 13 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Greta Bax regarding a proposed constitutional amendment to Article I, version 6 (2024-144)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Greta Bax on September 12, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

2023 SEP 12 PM 2:23
RECEIVED

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures) _____
Street Address of Affiant _____

Printed Name of Affiant _____
City, State and Zip Code of Affiant _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary _____
Address of Notary _____
(Seal)

NOTICE: The proposed amendment revises Article I of the Constitution adopting one new section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article I of the Constitution is revised by adopting one new section to be known as Article I, Section 36, to read as follows:

Section 36. 1. No person shall knowingly sell a firearm to a person under eighteen years of age.

2. Any person who violates the provisions of this section is guilty of a class E felony.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-144)**

Subject

Initiative petition from Greta Bax regarding a proposed constitutional amendment to Article I. (Received September 13, 2023)

Date

October 3, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Kansas City Board of Police Commissioners**, and the **Metropolitan Police Department - City of St. Louis**.

Assumptions

Officials from the **Attorney General's office** indicated:

TO: Sheri Hoffman

DATE: September 21, 2023

FROM: Diana Haines

Fiscal Note: Initiative petition – Proposed constitutional amendment to Article 1 (2024-144)

All six of the proposed amendments to Article I would place certain restrictions on Missouri's constitutional right to bear arms. The Attorney General's Office (AGO) expects that the enactment of any of these proposals would result in increased litigation challenging the constitutionality of the amendments, which the AGO would be responsible for defending and would likely have to hire conflict counsel to participate in given the AGO's publicly stated position strongly in favor of Second Amendment protections. Given the positional conflict that would require conflict counsel, the total cost to Missouri could exceed \$9 million by way of increased legal costs for the Attorney General's Office.

Analysis

There is one primary area where these initiative petitions would substantially increase costs to Missouri. The petitions would trigger significant legal costs because they will certainly give rise to legal challenges in which the Attorney General's Office would be involved and would have to retain conflict counsel.

I. The petitions will increase legal costs for the Attorney General's Office.

The AGO would incur substantial legal costs relating to the proposed petitions. First, the petitions involve a controversial topic that is sure to

motivate multiple lawsuits by well-funded individuals and organizations dedicated to protecting Second Amendment rights. General litigation costs alone could run into the millions of dollars. Additionally, the AGO will likely have to hire conflict counsel to participate in these suits because the Attorney General has staked out a position strongly in favor of Second Amendment protections, creating a positional conflict that is untenable for the Attorney General and would necessarily generate greater legal costs.

Even a cursory analysis of the proposed initiative petitions raise significant constitutional concerns. As such, the State of Missouri may be required to pay the attorneys' fees of parties that challenge the petitions and any resulting regulations approved by local governments.

All told, each lawsuit could cost approximately \$1.5 million based on the AGO's estimates of the additional personnel and resources needed. Challenges would likely be filed in multiple jurisdictions. The \$9 million estimate in additional legal costs is based on one jurisdictional challenge to each of the proposed amendments, meaning the likelihood of total costs exceeding the \$9 million estimate is highly likely as challenges to each petition could be filed in multiple jurisdictions.

Conclusion

These proposed initiative petitions would give the state unconstitutional control over Missourian's second amendment rights. Not only is that wrong-headed, it is expensive. If enacted, these proposed provisions would have a severe, negative economic impact on the State of Missouri. Resulting litigation would force the AGO to expend significant funds on anticipated litigation, likely including the hiring of outside counsel.

The AGO currently estimates the fiscal impact will be at least \$9 million, but it could be more. As the AGO continues its legal and fiscal analysis of these misguided proposals, it will update the Auditor's Office if new data becomes available.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-144 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition is a no impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated Section 36 is proposed and outlines penalty provisions for knowingly selling a firearm to a person under eighteen years of age. These actions are considered nonviolent class E felony offenses; therefore, the intent of the bill is to create a new class E felony offense.

For each new nonviolent class E felony, their department estimates one person could be sentenced to prison and two to probation. The average sentence for a nonviolent class E felony offense is 3.4 years, of which 2.1 years will be served in prison with 1.4 years to first release. The remaining 1.3 years will be on parole. Probation sentences will be 3 years.

The cumulative impact on their department is estimated to be 2 additional offenders in prison and 7 additional offenders on field supervision by FY 2027.

Change in prison admissions and probation openings with legislation-Class E Felony (nonviolent)

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	1	1	1	1	1	1	1	1	1	1
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	2	2	2	2	2	2	2	2	2	2
Change (After Legislation - Current Law)										
Admissions	1	1	1	1	1	1	1	1	1	1
Probations	2	2	2	2	2	2	2	2	2	2
Cumulative Populations										
Prison	1	2	2	2	2	2	2	2	2	2
Parole			1	1	1	1	1	1	1	1
Probation	2	4	6	6	6	6	6	6	6	6
Impact										
Prison Population	1	2	2	2	2	2	2	2	2	2
Field Population	2	4	7	7	7	7	7	7	7	7
Population Change	3	6	9	9	9	9	9	9	9	9

The total estimated net effect on all state funds will be (\$4,750) in fiscal year 2025, (\$19,378) in fiscal year 2026, and (\$19,766) in fiscal year 2027.

The total estimated net effect on all federal funds will be \$0 in fiscal year 2025, 2026, and 2027.

The total estimated net effect on all local funds will be \$0 in fiscal year 2025, 2026, and 2027.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for initiative petition 24-144 proposing to amend Article I, version 6.

Officials from the **Department of Revenue** indicated after a thorough review, their department assumes this IP will not have a fiscal or administrative impact on their department or their operations.

Officials from the **Department of Public Safety** indicated no fiscal impact.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to firearms does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-144 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact is expected for their department or the Missouri Highways and Transportation Commission on initiative petition 24-144.

Officials from the **Office of Administration** indicated this proposal relating to firearms does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-144 a proposed constitutional amendment to Article I, version 6 (2024-144), there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of

their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender (SPD)** indicated initiative petition 24-144 will have a fiscal impact on SPD. The creation of selling a firearm to a person under the age of 18 as a class E felony would create additional caseload for MSPD. A case of this type would require an average of 35 hours of casework per the National Public Defense Workload Study. A SPD attorney handling only these additional cases would be able to handle approximately 60 new cases per year. It is unknown how many additional cases will be charged if this initiative petition is passed, but if 1,000 new cases were charged statewide and those charged were eligible for SPD representation, sixteen additional attorneys would be needed. If 5,000 new cases were charged and those charged were eligible for SPD representation, eighty additional attorneys would be needed.

Officials from the **Office of the State Treasurer** indicated no identifiable fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-144 proposing to amend Article I, Version 6.

Officials from **St. Louis County** indicated this proposed constitutional amendment should have no fiscal impact on St. Louis County.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Jennings School District** indicated:

- While there does not appear to be a direct expense or revenue to school districts due to this legislation, any legislation that limits access to firearms can have an indirect positive effect on decreasing expenses for school districts if the legislation keeps more guns out of kids' hands and mitigates against unlawful use of firearms.
- School districts spend significant amounts on security due to threats and actual use of firearms on campus, especially in recent weeks at football games. Our district spends about \$750 per home football game and \$500 per home basketball game to hire off-duty police officers to mitigate against handguns. Over time, I believe districts can halve their expenses on this if we have a 50% reduction in gun displays/use on campus.

Officials from **Wellsville-Middletown R-1 School District** indicated unknown of the estimated cost or savings for the initiative petition.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated the University of Missouri System does not foresee any significant impact.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and determined it has no revenue or expense impact on their college.

Officials from the **Kansas City Board of Police Commissioners** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, State Technical College of Missouri, and the Metropolitan Police Department - City of St. Louis.**

Fiscal Note Summary

The Attorney General estimates increased legal costs of at least \$9 million. Other state entities estimate annual costs of at least \$20,000 by fiscal year 2027. Local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

September 13, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

SEP 13 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Greta Bax regarding a proposed constitutional amendment to Article I, version 5 (2024-143)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Greta Bax on September 12, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffinan
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

2023 SEP 12 PM 2:22
[Signature]

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures) _____
Street Address of Affiant _____

Printed Name of Affiant _____
City, State and Zip Code of Affiant _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary _____
Address of Notary _____

(Seal)

NOTICE: The proposed amendment amends Article I by enacting one new section to be known as Section 36 of Article I.

Be it resolved by the people of the state of Missouri that the Constitution be amended.

Section A. Article I is hereby amended by enacting one new section to be known as Section 36 of Article I, to read as follows:

Section 36. 1. There is hereby established an “Extreme Risk Protection Order” which shall enjoin and prohibit a respondent from possessing, using, purchasing, manufacturing or otherwise receiving a firearm for as long as the order remains in effect.

2. (1) A petition for an extreme risk protection order may be made by the chief law enforcement officer, the chief law enforcement officer’s designee, a city or county attorney, a mental health professional, an official of a school or school system in which the respondent is enrolled or has been enrolled within the preceding one-year period, a family member of the respondent, which shall be understood to mean a parent, spouse, child, or sibling of the respondent, a household member of the respondent, a dating or intimate partner of the respondent, or a guardian of the respondent.

(2) A petition shall allege that the respondent poses a significant risk of causing personal injury or death to the respondent or another person. The petition shall be accompanied by an affidavit or sworn statement providing specific facts and circumstances forming the basis of allegations that an extreme risk protection order should be granted. The court shall take up and decide such application on the day it is submitted, or if review and decision of the application on the same day is not feasible, then as quickly as possible but in no case later than three business days.

(3) A petition for emergency relief shall additionally allege that the respondent presents an immediate and present risk of causing personal injury or death to the respondent or another person.

(4) A petition for relief must describe, to the best of the petitioner’s knowledge, the types and location of any firearms believed to be in the possession of the respondent.

3. An order issued under this section shall:

(1) Prohibit the respondent from possessing, using, purchasing, manufacturing, or otherwise receiving a firearm;

(2) Order the respondent to provisionally surrender any firearms in the respondent’s possession or control, and any license or permit allowing the respondent to possess or acquire a firearm, to any law enforcement officer presenting the order or to a law enforcement officer as directed by the officer or as stated in the order; and

(3) Inform the respondent of the time and place of any hearing to determine whether the respondent will be subject to a continuing prohibition on possessing and acquiring firearms.

4. Any extreme risk protection order or extension of such order shall be forwarded by the court within twenty-four hours to the local law enforcement agency with jurisdiction over the residence of the respondent. Upon receipt of the order, the law enforcement agency shall make the order available to the National Instant Criminal Background Check System and any state system used to identify person who are prohibited from possessing a firearm. When an order expires or is otherwise terminated by the court, the court must submit a request that the order be removed from the National Instant Background Check System. Each law enforcement agency shall make available to other law enforcement officers, through a system for verification, information as to the existence and status of any extreme risk protection order issued under this section.

5. (1) Any person filing an application under this section containing information the petitioner knows to be materially false or for the purpose of harassing the respondent is guilty of a class A misdemeanor.

(2) Any person who knowingly violates an order issued under this section, including by possessing or acquiring a firearm in violation of the order or failing to timely surrender a firearm as required by the order is guilty of a class A misdemeanor.

(3) Any person who knowingly provides the subject of an order issued under this section access to a firearm is guilty of a class A misdemeanor.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-143)**

Subject

Initiative petition from Greta Bax regarding a proposed constitutional amendment to Article I. (Received September 13, 2023)

Date

October 3, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Kansas City Board of Police Commissioners**, and the **Metropolitan Police Department - City of St. Louis**.

Assumptions

Officials from the **Attorney General's office** indicated:

TO: Sheri Hoffman

DATE: September 21, 2023

FROM: Diana Haines

Fiscal Note: Initiative petition – Proposed constitutional amendment to Article 1 (2024-143)

All six of the proposed amendments to Article I would place certain restrictions on Missouri's constitutional right to bear arms. The Attorney General's Office (AGO) expects that the enactment of any of these proposals would result in increased litigation challenging the constitutionality of the amendments, which the AGO would be responsible for defending and would likely have to hire conflict counsel to participate in given the AGO's publicly stated position strongly in favor of Second Amendment protections. Given the positional conflict that would require conflict counsel, the total cost to Missouri could exceed \$9 million by way of increased legal costs for the Attorney General's Office.

Analysis

There is one primary area where these initiative petitions would substantially increase costs to Missouri. The petitions would trigger significant legal costs because they will certainly give rise to legal challenges in which the Attorney General's Office would be involved and would have to retain conflict counsel.

I. The petitions will increase legal costs for the Attorney General's Office.

The AGO would incur substantial legal costs relating to the proposed petitions. First, the petitions involve a controversial topic that is sure to

motivate multiple lawsuits by well-funded individuals and organizations dedicated to protecting Second Amendment rights. General litigation costs alone could run into the millions of dollars. Additionally, the AGO will likely have to hire conflict counsel to participate in these suits because the Attorney General has staked out a position strongly in favor of Second Amendment protections, creating a positional conflict that is untenable for the Attorney General and would necessarily generate greater legal costs.

Even a cursory analysis of the proposed initiative petitions raise significant constitutional concerns. As such, the State of Missouri may be required to pay the attorneys' fees of parties that challenge the petitions and any resulting regulations approved by local governments.

All told, each lawsuit could cost approximately \$1.5 million based on the AGO's estimates of the additional personnel and resources needed. Challenges would likely be filed in multiple jurisdictions. The \$9 million estimate in additional legal costs is based on one jurisdictional challenge to each of the proposed amendments, meaning the likelihood of total costs exceeding the \$9 million estimate is highly likely as challenges to each petition could be filed in multiple jurisdictions.

Conclusion

These proposed initiative petitions would give the state unconstitutional control over Missourian's second amendment rights. Not only is that wrong-headed, it is expensive. If enacted, these proposed provisions would have a severe, negative economic impact on the State of Missouri. Resulting litigation would force the AGO to expend significant funds on anticipated litigation, likely including the hiring of outside counsel.

The AGO currently estimates the fiscal impact will be at least \$9 million, but it could be more. As the AGO continues its legal and fiscal analysis of these misguided proposals, it will update the Auditor's Office if new data becomes available.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-143 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition is a no impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for initiative petition 24-143 proposing to amend Article I, version 5.

Officials from the **Department of Revenue** indicated after a thorough review, their department assumes this IP will not have a fiscal or administrative impact on their department or their operations.

Officials from the **Department of Public Safety** indicated that the Missouri State Highway Patrol is the only division of their department with an impact. This initiative petition would require the Office of State Court Administrators (OSCA) to add programming to the Justice Information System (JIS)/Show Me Courts System to support the protection order portion.

The petition requests the addition of an Extreme Risk Protection Order in the Missouri Uniform Law Enforcement System (MULES). If passed, an Extreme Risk Protection Order entry into MULES would require updates to the existing MULES database Protection Order File to separate Extreme Risk entries from standard protection order entries. NCIC recently activated a set of transactions for entry and maintenance of Extreme Risk Protection Orders; however, since no statutory basis for the entry of these records currently exists at the state level, no programming has been put in place to allow the MULES system

to interface with this new NCIC functionality. Development of this updated MULES functionality would be a fiscal impact to the Patrol.

Task:	Costs:
Program changes to MULES	
Management Cost	
(100 hours @ \$56.68)	\$5,668.00
Analyst/Developer Cost	
(1,500 hours @ \$50.02)	\$75,030.00
Total Fiscal Impact:	\$80,698.00

An "Extreme Risk Protection Order" is redundant given that firearms privileges are already restricted for respondents of full orders of protection under 18 USC 922 when the court finds that there is a credible threat to the petitioner/protected.

In situations where 18 U.S.C. §911 does not apply to the respondent of a protection order, such as in ex parte orders or in situations where the relationship between the petitioner and respondent is not intimate in nature, and the judge has the authority, if they deem it necessary, to remove the respondent's right to purchase, possess, or receive a firearm by using NCIC Protection Order Condition 07 which states:

The subject is prohibited from possessing and/or purchasing a firearm or other weapons as identified in the Miscellaneous Field.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to firearms does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-143 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact is expected for their department or the Missouri Highways and Transportation Commission on initiative petition 24-143.

Officials from the **Office of Administration** indicated this proposal relating to firearms does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-143 a proposed constitutional amendment to Article I, version 5 (2024-143), there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender (SPD)** indicated initiative petition 24-143 will have a fiscal impact on SPD. The creation of the new offense of violating an Extreme Risk Order of Protection, as a class A misdemeanor would create additional caseload for MSPD. A case of this type would require an average of 13 hours of casework per the National Public Defense Workload Study. A SPD attorney handling only these additional cases would be able to handle approximately 160 new cases per year. It is unknown how many additional cases will be charged if this initiative petition is passed, but

if 1,000 new cases were charged statewide and those charged were eligible for SPD representation, six additional attorneys would be needed. If 5,000 new cases were charged and those charged were eligible for SPD representation, thirty additional attorneys would be needed. If, however, the punishment for this new offense did not involve jail time, the cases would not be eligible for SPD representation.

Officials from the **Office of the State Treasurer** indicated no identifiable fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-143 proposing to amend Article I, Version 5.

Officials from **St. Louis County** indicated this proposed constitutional amendment should have no fiscal impact on St. Louis County.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Wellsville-Middletown R-1 School District** indicated unknown of the estimated cost or savings for the initiative petition.

Officials from **Jennings School District** indicated:

- While there does not appear to be a direct expense or revenue to school districts due to this legislation, any legislation that limits access to firearms can have an indirect positive effect on decreasing expenses for school districts if the legislation keeps more guns out of kids' hands and mitigates against unlawful use of firearms.
- School districts spend significant amounts on security due to threats and actual use of firearms on campus, especially in recent weeks at football games. Our district spends about \$750 per home football game and \$500 per home basketball game to hire off-duty police officers to mitigate against handguns. Over time, I believe districts can halve their expenses on this if we have a 50% reduction in gun displays/use on campus.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated the University of Missouri System does not foresee any significant impact.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and determined it has no revenue or expense impact on their college. They assume the petition would not affect their law enforcement personnel.

Officials from the **Kansas City Board of Police Commissioners** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, State Technical College of Missouri, and the Metropolitan Police Department - City of St. Louis.**

Fiscal Note Summary

The Attorney General estimates increased legal costs of at least \$9 million. Other state entities estimate a cost of \$81,000 for required computer system updates. Local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

September 13, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

SEP 13 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Greta Bax regarding a proposed constitutional amendment to Article I, version 4 (2024-142)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Greta Bax on September 12, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

2023 SEP 12 PM 2:21
RECEIVED
C. Ashcroft

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article I of the Constitution adopting one new section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article I of the Constitution is revised by adopting one new section to be known as Article I, Section 36, to read as follows:

Section 36. 1. No person shall conceal and carry a firearm without a conceal and carry permit issued by the sheriff of the county in which the person resides. All applicants for conceal and carry permits must be at least eighteen years of age and pass a background check using the National Instant Background Criminal Check System, as described in 18 U.S.C. § 922(t).

2. Any person who conceals and carries a firearm without the necessary permit is guilty of a class E felony.

3. Law enforcement agencies responsible for issuing conceal and carry permits may charge a fee to implement the provisions of this section in connection with the costs that may be associated with running the required background check. Such fee shall not exceed one hundred dollars per background check.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-142)**

Subject

Initiative petition from Greta Bax regarding a proposed constitutional amendment to Article I. (Received September 13, 2023)

Date

October 3, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Kansas City Board of Police Commissioners**, and the **Metropolitan Police Department - City of St. Louis**.

Assumptions

Officials from the **Attorney General's office** indicated:

TO: Sheri Hoffman

DATE: September 21, 2023

FROM: Diana Haines

Fiscal Note: Initiative petition – Proposed constitutional amendment to Article 1 (2024-142)

All six of the proposed amendments to Article I would place certain restrictions on Missouri's constitutional right to bear arms. The Attorney General's Office (AGO) expects that the enactment of any of these proposals would result in increased litigation challenging the constitutionality of the amendments, which the AGO would be responsible for defending and would likely have to hire conflict counsel to participate in given the AGO's publicly stated position strongly in favor of Second Amendment protections. Given the positional conflict that would require conflict counsel, the total cost to Missouri could exceed \$9 million by way of increased legal costs for the Attorney General's Office.

Analysis

There is one primary area where these initiative petitions would substantially increase costs to Missouri. The petitions would trigger significant legal costs because they will certainly give rise to legal challenges in which the Attorney General's Office would be involved and would have to retain conflict counsel.

I. The petitions will increase legal costs for the Attorney General's Office.

The AGO would incur substantial legal costs relating to the proposed petitions. First, the petitions involve a controversial topic that is sure to

motivate multiple lawsuits by well-funded individuals and organizations dedicated to protecting Second Amendment rights. General litigation costs alone could run into the millions of dollars. Additionally, the AGO will likely have to hire conflict counsel to participate in these suits because the Attorney General has staked out a position strongly in favor of Second Amendment protections, creating a positional conflict that is untenable for the Attorney General and would necessarily generate greater legal costs.

Even a cursory analysis of the proposed initiative petitions raise significant constitutional concerns. As such, the State of Missouri may be required to pay the attorneys' fees of parties that challenge the petitions and any resulting regulations approved by local governments.

All told, each lawsuit could cost approximately \$1.5 million based on the AGO's estimates of the additional personnel and resources needed. Challenges would likely be filed in multiple jurisdictions. The \$9 million estimate in additional legal costs is based on one jurisdictional challenge to each of the proposed amendments, meaning the likelihood of total costs exceeding the \$9 million estimate is highly likely as challenges to each petition could be filed in multiple jurisdictions.

Conclusion

These proposed initiative petitions would give the state unconstitutional control over Missourian's second amendment rights. Not only is that wrong-headed, it is expensive. If enacted, these proposed provisions would have a severe, negative economic impact on the State of Missouri. Resulting litigation would force the AGO to expend significant funds on anticipated litigation, likely including the hiring of outside counsel.

The AGO currently estimates the fiscal impact will be at least \$9 million, but it could be more. As the AGO continues its legal and fiscal analysis of these misguided proposals, it will update the Auditor's Office if new data becomes available.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-142 and determined there is no measurable impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition is a no impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated while most employed by their department are not required to carry a firearm, this proposal would likely affect those employed by their department in a specific unit of probation and parole who are required to carry a firearm. There may be an increased cost to their department should counties choose to charge for background checks.

Section 36 is proposed and outlines regulations for obtaining and presenting a conceal and carry permit and penalty provisions for concealing and carrying a firearm without the necessary permit issued by the sheriff of the county where the person resides. To conceal and carry a firearm without the necessary permit is considered a nonviolent class E felony offense; therefore, the intent of the bill is to create a new class E felony offense.

For each new nonviolent class E felony, their department estimates one person could be sentenced to prison and two to probation. The average sentence for a nonviolent class E felony offense is 3.4 years, of which 2.1 years will be served in prison with 1.4 years to first release. The remaining 1.3 years will be on parole. Probation sentences will be 3 years.

The cumulative impact on their department is estimated to be 2 additional offenders in prison and 7 additional offenders on field supervision by FY 2027.

Change in prison admissions and probation openings with legislation-Class E Felony (nonviolent)

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	1	1	1	1	1	1	1	1	1	1
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	2	2	2	2	2	2	2	2	2	2
Change (After Legislation - Current Law)										
Admissions	1	1	1	1	1	1	1	1	1	1
Probations	2	2	2	2	2	2	2	2	2	2
Cumulative Populations										
Prison	1	2	2	2	2	2	2	2	2	2
Parole			1	1	1	1	1	1	1	1
Probation	2	4	6	6	6	6	6	6	6	6
Impact										
Prison Population	1	2	2	2	2	2	2	2	2	2
Field Population	2	4	7	7	7	7	7	7	7	7
Population Change	3	6	9	9	9	9	9	9	9	9

The total estimated net effect on all state funds will be (\$4,750) in fiscal year 2025, (\$19,378) in fiscal year 2026, and (\$19,766) in fiscal year 2027.

The total estimated net effect on all federal funds will be \$0 in fiscal year 2025, 2026, and 2027.

The total estimated net effect on all local funds will be \$0 in fiscal year 2025, 2026, and 2027.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for initiative petition 24-142 proposing to amend Article I, version 4.

Officials from the **Department of Revenue** indicated after a thorough review, their department assumes this IP will not have a fiscal or administrative impact on their department or their operations.

Officials from the **Department of Public Safety** indicated that the Missouri State Highway Patrol is the only division of their department with an impact. This initiative petition would require an individual to obtain a permit to conceal and carry a firearm. This would require each applicant to pass a NICS check as well as a fingerprint criminal record check pursuant to 571.101 RSMo. Prior to 2017, these checks were required to carry a concealed firearm. Based upon an average of the previous four years (2013-2016), the Patrol conducted 39,318 fingerprint criminal record checks per year. Since 2017, the Patrol conducted an annual average of 12,360 fingerprint criminal record checks per year. The Patrol expects the initiative would increase the number of checks back to the pre-2017 average number of 39,318 checks per year. The state fee for a fingerprint based criminal record check is \$14.00 per request, which the Patrol maintains in Criminal Records System Fund. The federal fee for fingerprint based criminal records checks is \$13.25 per request, of which the Patrol retains \$2.00. A total of \$16.00 would be retained in the Criminal Record System Fund per

request. Based on the estimate of 39,318 fingerprint criminal records checks per year, the Criminal Record System Fund would realize \$629,088 in annual revenue.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to firearms does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-142 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact is expected for their department or the Missouri Highways and Transportation Commission on initiative petition 24-142.

Officials from the **Office of Administration** indicated this proposal relating to firearms does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-142 a proposed constitutional amendment to Article I, version 4 (2024-142), there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri

Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender (SPD)** indicated initiative petition 24-142 will have a fiscal impact on SPD. The creation of carrying a concealed weapon without a permit as a class E felony would create additional caseload for MSPD. A case of this type would require an average of 35 hours of casework per the National Public Defense Workload Study. A SPD attorney handling only these additional cases would be able to handle approximately 60 new cases per year. It is unknown how many additional cases will be charged if this initiative petition is passed, but if 1,000 new cases were charged statewide and those charged were eligible for SPD representation, sixteen additional attorneys would be needed. If 5,000 new cases were charged and those charged were eligible for SPD representation, eighty additional attorneys would be needed.

Officials from the **Office of the State Treasurer** indicated no identifiable fiscal impact to their office.

Officials from **Clay County** indicated:

Based on history prior to open carry, they estimate the following impact from this petition:

- ~\$150,000 in additional revenues annually from CCW permits
- ~\$60,000 in expenditures annually for additional CCW Clerk staffing compensation costs
- ~\$90,000 in savings annually

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-142 proposing to amend Article I, Version 4.

Officials from **St. Louis County** indicated this proposed constitutional amendment should have no fiscal impact on St. Louis County.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Jennings School District** indicated:

- While there does not appear to be a direct expense or revenue to school districts due to this legislation, any legislation that limits access to firearms can have an indirect positive effect on decreasing expenses for school districts if the legislation keeps more guns out of kids' hands and mitigates against unlawful use of firearms.
- School districts spend significant amounts on security due to threats and actual use of firearms on campus, especially in recent weeks at football games. Our district spends about \$750 per home football game and \$500 per home basketball game to hire off-duty police officers to mitigate against handguns. Over time, I believe districts can halve their expenses on this if we have a 50% reduction in gun displays/use on campus.

Officials from **Wellsville-Middletown R-1 School District** indicated unknown of the estimated cost or savings for the initiative petition.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated the University of Missouri System does not foresee any significant impact.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and determined it has no revenue or expense impact on their college.

Officials from the **Kansas City Board of Police Commissioners** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, State Technical College of Missouri, and the Metropolitan Police Department - City of St. Louis.**

Fiscal Note Summary

The Attorney General estimates increased legal costs of at least \$9 million. Other state governmental entities estimate costs of at least \$19,000 beginning in the first full year of implementation and annual revenue of \$629,000. Local governmental entities estimate annual revenue of at least \$150,000 and annual costs of at least \$60,000.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

September 13, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

SEP 13 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Greta Bax regarding a proposed constitutional amendment to Article I, version 3 (2024-141)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Greta Bax on September 12, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

2023 SEP 12 PM 2:20
RECEIVED
CLERK OF COURT

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures) _____
Printed Name of Affiant _____

Street Address of Affiant _____
City, State and Zip Code of Affiant _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary _____
Address of Notary _____
(Seal)

NOTICE: The proposed amendment revises Article I of the Constitution adopting one new section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article I of the Constitution is revised by adopting one new section to be known as Article I, Section 36, to read as follows:

Section 36. 1. No person shall conceal and carry a firearm without a conceal and carry permit issued by the sheriff of the county in which the person resides. All applicants for conceal and carry permits must be at least eighteen years of age, pass a background check using the National Instant Background Criminal Check System, as described in 18 U.S.C. § 922(t), and complete firearms safety training and submit a signed copy of a certificate of firearms safety training course completion. Such certificate must be signed by a qualified firearms safety instructor. Any person issued a conceal and carry permit under this section shall carry the permit at all times the person carries a concealed firearm and shall display the permit and a state or federal government-issued photo identification upon the request of any peace officer.

2. Any person who conceals and carries a firearm without the necessary permit is guilty of a class E felony.

3. Any person who fails to comply with the duty to carry and display a conceal and carry permit may be issued a citation for an amount not to exceed fifty dollars.

4. Law enforcement agencies responsible for issuing conceal and carry permits may charge a fee to implement the provisions of this section in connection with the costs that may be associated with running the required background check. Such fee shall not exceed one hundred dollars per background check.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-141)**

Subject

Initiative petition from Greta Bax regarding a proposed constitutional amendment to Article I. (Received September 13, 2023)

Date

October 3, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Kansas City Board of Police Commissioners**, and the **Metropolitan Police Department - City of St. Louis**.

Assumptions

Officials from the **Attorney General's office** indicated:

TO: Sheri Hoffman

DATE: September 21, 2023

FROM: Diana Haines

Fiscal Note: Initiative petition – Proposed constitutional amendment to Article 1 (2024-140)

All six of the proposed amendments to Article I would place certain restrictions on Missouri's constitutional right to bear arms. The Attorney General's Office (AGO) expects that the enactment of any of these proposals would result in increased litigation challenging the constitutionality of the amendments, which the AGO would be responsible for defending and would likely have to hire conflict counsel to participate in given the AGO's publicly stated position strongly in favor of Second Amendment protections. Given the positional conflict that would require conflict counsel, the total cost to Missouri could exceed \$9 million by way of increased legal costs for the Attorney General's Office.

Analysis

There is one primary area where these initiative petitions would substantially increase costs to Missouri. The petitions would trigger significant legal costs because they will certainly give rise to legal challenges in which the Attorney General's Office would be involved and would have to retain conflict counsel.

I. The petitions will increase legal costs for the Attorney General's Office.

The AGO would incur substantial legal costs relating to the proposed petitions. First, the petitions involve a controversial topic that is sure to

motivate multiple lawsuits by well-funded individuals and organizations dedicated to protecting Second Amendment rights. General litigation costs alone could run into the millions of dollars. Additionally, the AGO will likely have to hire conflict counsel to participate in these suits because the Attorney General has staked out a position strongly in favor of Second Amendment protections, creating a positional conflict that is untenable for the Attorney General and would necessarily generate greater legal costs.

Even a cursory analysis of the proposed initiative petitions raise significant constitutional concerns. As such, the State of Missouri may be required to pay the attorneys' fees of parties that challenge the petitions and any resulting regulations approved by local governments.

All told, each lawsuit could cost approximately \$1.5 million based on the AGO's estimates of the additional personnel and resources needed. Challenges would likely be filed in multiple jurisdictions. The \$9 million estimate in additional legal costs is based on one jurisdictional challenge to each of the proposed amendments, meaning the likelihood of total costs exceeding the \$9 million estimate is highly likely as challenges to each petition could be filed in multiple jurisdictions.

Conclusion

These proposed initiative petitions would give the state unconstitutional control over Missourian's second amendment rights. Not only is that wrong-headed, it is expensive. If enacted, these proposed provisions would have a severe, negative economic impact on the State of Missouri. Resulting litigation would force the AGO to expend significant funds on anticipated litigation, likely including the hiring of outside counsel.

The AGO currently estimates the fiscal impact will be at least \$9 million, but it could be more. As the AGO continues its legal and fiscal analysis of these misguided proposals, it will update the Auditor's Office if new data becomes available.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-141 and determined there is no measurable impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition is a no impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated this proposal would require individuals carrying a firearm to obtain a conceal and carry permit issued by the sheriff of the county in which the person resides, and the carrier must be at least 18, pass a background check, complete a safety course and carry a permit that must be displayed when requested by any peace officer. Law enforcement agencies issuing the permits may charge no more than \$100 per background check. There is no exception for state or other government employees required to carry as a condition of their employment.

Section 36 is proposed and outlines regulations for obtaining and presenting a conceal and carry permit and penalty provisions for concealing and carrying a firearm without the necessary permit issued by the sheriff of the county where the person resides. To conceal and carry a firearm without the necessary permit is considered a nonviolent class E felony offense; therefore, the intent of the bill is to create a new class E felony offense.

For each new nonviolent class E felony, the department estimates one person could be sentenced to prison and two to probation. The average sentence for a nonviolent class E felony offense is 3.4 years, of which 2.1 years will be served in prison with 1.4 years to first release. The remaining 1.3 years will be on parole. Probation sentences will be 3 years.

The cumulative impact on their department is estimated to be 2 additional offenders in prison and 7 additional offenders on field supervision by FY 2027.

Change in prison admissions and probation openings with legislation-Class E Felony (nonviolent)

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	1	1	1	1	1	1	1	1	1	1
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	2	2	2	2	2	2	2	2	2	2
Change (After Legislation - Current Law)										
Admissions	1	1	1	1	1	1	1	1	1	1
Probations	2	2	2	2	2	2	2	2	2	2
Cumulative Populations										
Prison	1	2	2	2	2	2	2	2	2	2
Parole			1	1	1	1	1	1	1	1
Probation	2	4	6	6	6	6	6	6	6	6
Impact										
Prison Population	1	2	2	2	2	2	2	2	2	2
Field Population	2	4	7	7	7	7	7	7	7	7
Population Change	3	6	9	9	9	9	9	9	9	9

The total estimated net effect on all state funds will be (\$4,750) in fiscal year 2025, (\$19,378) in fiscal year 2026, and (\$19,766) in fiscal year 2027.

The total estimated net effect on all federal funds will be \$0 in fiscal year 2025, 2026, and 2027.

The total estimated net effect on all local funds will be \$0 in fiscal year 2025, 2026, and 2027.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for initiative petition 24-141 proposing to amend Article I, version 3.

Officials from the **Department of Revenue** indicated after a thorough review, their department assumes this IP will not have a fiscal or administrative impact on their department or their operations.

Officials from the **Department of Public Safety** indicated that the Missouri State Highway Patrol is the only division of their department with an impact. This initiative petition would require an individual to obtain a permit to conceal and carry a firearm. This would require each applicant to pass a NICS check as well as a fingerprint criminal record check pursuant to 571.101 RSMo. Prior to 2017, these checks were required to carry a concealed firearm. Based upon an average of the previous four years (2013-2016), the Patrol conducted 39,318 fingerprint criminal record checks per year. Since 2017, the Patrol conducted an annual average of 12,360 fingerprint criminal record checks per year. The Patrol expects the initiative would increase the number of checks back to the pre-2017 average number of 39,318 checks per year. The state fee for a fingerprint based criminal record check is \$14.00 per request, which the Patrol maintains in Criminal Records System Fund. The federal fee for fingerprint based criminal records checks is \$13.25 per request, of which the Patrol retains \$2.00. A total of \$16.00 would be retained in the Criminal Record System Fund per

request. Based on the estimate of 39,318 fingerprint criminal records checks per year, the Criminal Record System Fund would realize \$629,088 in annual revenue.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to firearms does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-141 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact is expected for their department or the Missouri Highways and Transportation Commission on initiative petition 24-141.

Officials from the **Office of Administration** indicated this proposal relating to firearms does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-141 a proposed constitutional amendment to Article I, version 3 (2024-141), there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

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Based on history prior to open carry, they estimate the following impact from this petition:

- ~\$150,000 in additional revenues annually from CCW permits
- ~\$60,000 in expenditures annually for additional CCW Clerk staffing compensation costs
- ~\$90,000 in savings annually

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Officials from **St. Louis County** indicated this proposed constitutional amendment should have no fiscal impact on St. Louis County.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Jennings School District** indicated:

- While there does not appear to be a direct expense or revenue to school districts due to this legislation, any legislation that limits access to firearms can have an indirect positive effect on decreasing expenses for school districts if the legislation keeps more guns out of kids' hands and mitigates against unlawful use of firearms.
- School districts spend significant amounts on security due to threats and actual use of firearms on campus, especially in recent weeks at football games. Our district spends about \$750 per home football game and \$500 per home basketball game to hire off-duty police officers to mitigate against handguns. Over time, I believe districts can halve their expenses on this if we have a 50% reduction in gun displays/use on campus.

Officials from **Wellsville-Middletown R-1 School District** indicated unknown of the estimated cost or savings for the initiative petition.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated the University of Missouri System does not foresee any significant impact.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and determined it has no revenue or expense impact on their college. They assume the petition would not affect their law enforcement personnel.

Officials from the **Kansas City Board of Police Commissioners** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, State Technical College of Missouri, and the Metropolitan Police Department - City of St. Louis.**

Fiscal Note Summary

The Attorney General estimates increased legal costs of at least \$9 million. Other state governmental entities estimate costs of at least \$19,000 beginning in the first full year of implementation and annual revenue of \$629,000. Local governmental entities estimate annual revenue of at least \$150,000 and annual costs of at least \$60,000.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

September 13, 2023

RECEIVED

SEP 13 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Greta Bax regarding a proposed constitutional amendment to Article I, version 2 (2024-140)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Greta Bax on September 12, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

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RECEIVED
J. Ashcroft

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article I of the Constitution adopting one new section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article I of the Constitution is revised by adopting one new section to be known as Article I, Section 36, to read as follows:

Section 36. 1. No person shall sell a firearm, including at gun shows and private sales, to another person unless a licensed firearms dealer first conducts a background check using the National Instant Background Criminal Check System, as described in 18 U.S.C. § 922(t), and the buyer passes such check. Both the buyer and seller of the firearm shall appear jointly with the firearm and request that a licensed firearms dealer conduct a background check on the buyer.

2. Any person who sells a firearm to another person in violation of this section:

(1) For the first violation, is guilty of a class A misdemeanor;

(2) For the second violation, is guilty of a class E felony;

(3) For the third and subsequent violations, is guilty of a class D felony.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-140)**

Subject

Initiative petition from Greta Bax regarding a proposed constitutional amendment to Article I. (Received September 13, 2023)

Date

October 3, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Kansas City Board of Police Commissioners**, and the **Metropolitan Police Department - City of St. Louis**.

Assumptions

Officials from the **Attorney General's office** indicated:

TO: Sheri Hoffman

DATE: September 21, 2023

FROM: Diana Haines

Fiscal Note: Initiative petition – Proposed constitutional amendment to Article 1 (2024-140)

All six of the proposed amendments to Article I would place certain restrictions on Missouri's constitutional right to bear arms. The Attorney General's Office (AGO) expects that the enactment of any of these proposals would result in increased litigation challenging the constitutionality of the amendments, which the AGO would be responsible for defending and would likely have to hire conflict counsel to participate in given the AGO's publicly stated position strongly in favor of Second Amendment protections. Given the positional conflict that would require conflict counsel, the total cost to Missouri could exceed \$9 million by way of increased legal costs for the Attorney General's Office.

Analysis

There is one primary area where these initiative petitions would substantially increase costs to Missouri. The petitions would trigger significant legal costs because they will certainly give rise to legal challenges in which the Attorney General's Office would be involved and would have to retain conflict counsel.

I. The petitions will increase legal costs for the Attorney General's Office.

The AGO would incur substantial legal costs relating to the proposed petitions. First, the petitions involve a controversial topic that is sure to

motivate multiple lawsuits by well-funded individuals and organizations dedicated to protecting Second Amendment rights. General litigation costs alone could run into the millions of dollars. Additionally, the AGO will likely have to hire conflict counsel to participate in these suits because the Attorney General has staked out a position strongly in favor of Second Amendment protections, creating a positional conflict that is untenable for the Attorney General and would necessarily generate greater legal costs.

Even a cursory analysis of the proposed initiative petitions raise significant constitutional concerns. As such, the State of Missouri may be required to pay the attorneys' fees of parties that challenge the petitions and any resulting regulations approved by local governments.

All told, each lawsuit could cost approximately \$1.5 million based on the AGO's estimates of the additional personnel and resources needed. Challenges would likely be filed in multiple jurisdictions. The \$9 million estimate in additional legal costs is based on one jurisdictional challenge to each of the proposed amendments, meaning the likelihood of total costs exceeding the \$9 million estimate is highly likely as challenges to each petition could be filed in multiple jurisdictions.

Conclusion

These proposed initiative petitions would give the state unconstitutional control over Missourian's second amendment rights. Not only is that wrong-headed, it is expensive. If enacted, these proposed provisions would have a severe, negative economic impact on the State of Missouri. Resulting litigation would force the AGO to expend significant funds on anticipated litigation, likely including the hiring of outside counsel.

The AGO currently estimates the fiscal impact will be at least \$9 million, but it could be more. As the AGO continues its legal and fiscal analysis of these misguided proposals, it will update the Auditor's Office if new data becomes available.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-140 and determined there is no measurable impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition is a no impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated Section 36 is proposed and outlines penalty provisions for selling a firearm without the proper background check. This section stipulates that a legal sale must be preceded by a licensed firearms dealer conducting, and the buyer passing, a background check using the National Instant Background Criminal Check System.

A first violation to this section is a class A misdemeanor. As misdemeanors fall outside the purview of the Department of Corrections, its impact will not be included in this response. A second violation is a class E felony, and any subsequent violations are class D felonies. Therefore, the intent of the bill, as it relates to the Department of Corrections, is to create a new class E felony offense and a new class D felony offense.

For each new nonviolent class E felony, their department estimates one person will be sentenced to prison and two to probation. The average sentence for a nonviolent class E felony offense is 3.4 years, of which 2.1 years will be served in prison with 1.4 years to first release. The remaining 1.3 years will be on parole. Probation sentences will be 3 years.

The combined cumulative impact of a new Class D felony and a new Class E felony on their department is estimated to be 10 additional offenders in prison and 29 additional offenders on field supervision by FY 2029.

Change in prison admissions and probation openings with legislation

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	4	4	4	4	4	4	4	4	4	4
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	7	7	7	7	7	7	7	7	7	7
Change (After Legislation - Current Law)										
Admissions	4	4	4	4	4	4	4	4	4	4
Probations	7	7	7	7	7	7	7	7	7	7
Cumulative Populations										
Prison	4	8	10	10	10	10	10	10	10	10
Parole	0	0	2	5	8	8	8	8	8	8
Probation	7	14	21	21	21	21	21	21	21	21
Impact										
Prison Population	4	8	10	10	10	10	10	10	10	10
Field Population	7	14	23	26	29	29	29	29	29	29
Population Change	11	22	33	36	39	39	39	39	39	39

The total estimated net effect on all state funds will be (\$18,998) in fiscal year 2025, (\$77,512) in fiscal year 2026, and (\$102,820) in fiscal year 2029.

The total estimated net effect on all federal funds will be \$0 in fiscal year 2025, 2026, and 2029.

The total estimated net effect on all local funds will be \$0 in fiscal year 2025, 2026, and 2029.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for initiative petition 24-140 proposing to amend Article I, version 2.

Officials from the **Department of Revenue** indicated after a thorough review, their department assumes this IP will not have a fiscal or administrative impact on their department or their operations.

Officials from the **Department of Public Safety** indicated that the Missouri State Highway Patrol is the only division of their department with an impact. The Patrol anticipates no fiscal impact. This initiative petition would prohibit the sale of a firearm, including at gun shows and private sales, to another person unless a licensed firearms dealer (FFL) conducts a National Instant Criminal Background Check (NICS check) on the buyer.

Prohibitions against firearms sales are governed by the federal government and determined by the Federal Bureau of Investigation (FBI), and the National Instant Criminal Background Check System (NICS). NICS checks contain information from the Interstate Identification Index (III), the National Crime Information Center (NCIC), and the NICS Indices, which is restricted from public access.

The Brady Act of 1993 established federal firearm prohibitions. Private citizens and companies are only authorized to receive Missouri open records for this purpose, which would not provide the required information needed to make the determination.

Additionally, the Patrol recommends adding exemption language for law enforcement personnel, as defined in Section 590.1040, or members of the United States Armed Forces, if acting in an official capacity.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to firearms does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-140 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact is expected for their department or the Missouri Highways and Transportation Commission on initiative petition 24-140.

Officials from the **Office of Administration** indicated this proposal relating to firearms does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-140 a proposed constitutional amendment to Article I, version 2 (2024-140), there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo.

requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender (SPD)** indicated initiative petition 24-140 will have a fiscal impact on SPD. The creation of the new offense of selling a firearm without a background check, as a class A misdemeanor or a class D or E felony would create additional caseload for MSPD. A case of this type would require an average somewhere between 13 to 35 hours of casework per the National Public Defense Workload Study. A SPD attorney handling only these additional cases would be able to handle approximately 60 to 160 new cases per year. It is unknown how many additional cases will be charged if this initiative petition is passed, but if 1,000 new cases were charged statewide and those charged were eligible for SPD representation, six to sixteen additional attorneys would be needed. If 5,000 new cases were charged and those charged were eligible for SPD representation, thirty to eighty additional attorneys would be needed. If, however, the punishment for this new offense did not involve jail time, the cases would not be eligible for SPD representation.

Officials from the **Office of the State Treasurer** indicated no identifiable fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-140 proposing to amend Article I, Version 2.

Officials from **St. Louis County** indicated this proposed constitutional amendment should have no fiscal impact on St. Louis County.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Jennings School District** indicated:

- While there does not appear to be a direct expense or revenue to school districts due to this legislation, any legislation that limits access to firearms can have an indirect positive effect on decreasing expenses for school districts if the legislation keeps more guns out of kids' hands and mitigates against unlawful use of firearms.
- School districts spend significant amounts on security due to threats and actual use of firearms on campus, especially in recent weeks at football games. Our district spends about \$750 per home football game and \$500 per home basketball game to hire off-duty police officers to mitigate against handguns. Over time, I believe districts can halve their expenses on this if we have a 50% reduction in gun displays/use on campus.

Officials from **Wellsville-Middletown R-1 School District** indicated unknown of the estimated cost or savings for the initiative petition.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated the University of Missouri System does not foresee any significant impact.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and determined it has no revenue or expense impact on their college. They assume the petition would not affect their law enforcement personnel.

Officials from the **Kansas City Board of Police Commissioners** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, State Technical College of Missouri, and the Metropolitan Police Department - City of St. Louis.**

Fiscal Note Summary

The Attorney General estimates increased legal costs of at least \$9 million. Other state governmental entities estimate annual costs of at least \$103,000 by fiscal year 2029. Local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

September 13, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

SEP 13 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Greta Bax regarding a proposed constitutional amendment to Article I, version 1 (2024-139)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Greta Bax on September 12, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

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2023 SEP 12 PM 2:18
B. Ashcroft

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures) _____
Street Address of Affiant _____

Printed Name of Affiant _____
City, State and Zip Code of Affiant _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary _____
Address of Notary _____

(Seal)

NOTICE: The proposed amendment revises Article I of the Constitution adopting one new section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article I of the Constitution is revised by adopting one new section to be known as Article I, Section 36, to read as follows:

Section 36. 1. No person shall conceal and carry a firearm without a conceal and carry permit issued by the sheriff of the county in which the person resides. All applicants for conceal and carry permits must pass a background check using the National Instant Background Criminal Check System, as described in 18 U.S.C. § 922(t), and meet the permitting requirements as provided in sections 571.101 to 571.126, RSMo, as those provisions exist on January 1, 2023.

2. Any person who conceals and carries a firearm without the necessary permit is guilty of a class E felony.

3. Law enforcement agencies responsible for issuing conceal and carry permits may charge a fee to implement the provisions of this section in connection with the costs that may be associated with running the required background check. Such fee shall not exceed one hundred dollars per background check.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-139)**

Subject

Initiative petition from Greta Bax regarding a proposed constitutional amendment to Article I. (Received September 13, 2023)

Date

October 3, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Kansas City Board of Police Commissioners**, and the **Metropolitan Police Department - City of St. Louis**.

Assumptions

Officials from the **Attorney General's office** indicated:

TO: Sheri Hoffman

DATE: September 21, 2023

FROM: Diana Haines

Fiscal Note: Initiative petition – Proposed constitutional amendment to Article 1 (2024-139)

All six of the proposed amendments to Article I would place certain restrictions on Missouri's constitutional right to bear arms. The Attorney General's Office (AGO) expects that the enactment of any of these proposals would result in increased litigation challenging the constitutionality of the amendments, which the AGO would be responsible for defending and would likely have to hire conflict counsel to participate in given the AGO's publicly stated position strongly in favor of Second Amendment protections. Given the positional conflict that would require conflict counsel, the total cost to Missouri could exceed \$9 million by way of increased legal costs for the Attorney General's Office.

Analysis

There is one primary area where these initiative petitions would substantially increase costs to Missouri. The petitions would trigger significant legal costs because they will certainly give rise to legal challenges in which the Attorney General's Office would be involved and would have to retain conflict counsel.

I. The petitions will increase legal costs for the Attorney General's Office.

The AGO would incur substantial legal costs relating to the proposed petitions. First, the petitions involve a controversial topic that is sure to

motivate multiple lawsuits by well-funded individuals and organizations dedicated to protecting Second Amendment rights. General litigation costs alone could run into the millions of dollars. Additionally, the AGO will likely have to hire conflict counsel to participate in these suits because the Attorney General has staked out a position strongly in favor of Second Amendment protections, creating a positional conflict that is untenable for the Attorney General and would necessarily generate greater legal costs.

Even a cursory analysis of the proposed initiative petitions raise significant constitutional concerns. As such, the State of Missouri may be required to pay the attorneys' fees of parties that challenge the petitions and any resulting regulations approved by local governments.

All told, each lawsuit could cost approximately \$1.5 million based on the AGO's estimates of the additional personnel and resources needed. Challenges would likely be filed in multiple jurisdictions. The \$9 million estimate in additional legal costs is based on one jurisdictional challenge to each of the proposed amendments, meaning the likelihood of total costs exceeding the \$9 million estimate is highly likely as challenges to each petition could be filed in multiple jurisdictions.

Conclusion

These proposed initiative petitions would give the state unconstitutional control over Missourian's second amendment rights. Not only is that wrong-headed, it is expensive. If enacted, these proposed provisions would have a severe, negative economic impact on the State of Missouri. Resulting litigation would force the AGO to expend significant funds on anticipated litigation, likely including the hiring of outside counsel.

The AGO currently estimates the fiscal impact will be at least \$9 million, but it could be more. As the AGO continues its legal and fiscal analysis of these misguided proposals, it will update the Auditor's Office if new data becomes available.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-139 and determined there is no measurable impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition is a no impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated while most employed by their department are not required to carry a firearm, this proposal would likely affect those employed by their department in a specific unit of probation and parole who are required to carry a firearm. There may be an increased cost to their department should counties choose to charge for background checks.

Section 36 is proposed and outlines penalty provisions for concealing and carrying a firearm without a conceal and carry permit issued by the sheriff of the county where the person resides. These actions are considered nonviolent class E felony offenses.

For each new nonviolent class E felony, their department estimates one person could be sentenced to prison and two to probation. The average sentence for a nonviolent class E felony offense is 3.4 years, of which 2.1 years will be served in prison with 1.4 years to first release. The remaining 1.3 years will be on parole. Probation sentences will be 3 years.

The cumulative impact on their department is estimated to be 2 additional offenders in prison and 7 additional offenders on field supervision by FY 2027.

Change in prison admissions and probation openings with legislation-Class E Felony (nonviolent)

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	1	1	1	1	1	1	1	1	1	1
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	2	2	2	2	2	2	2	2	2	2
Change (After Legislation - Current Law)										
Admissions	1	1	1	1	1	1	1	1	1	1
Probations	2	2	2	2	2	2	2	2	2	2
Cumulative Populations										
Prison	1	2	2	2	2	2	2	2	2	2
Parole			1	1	1	1	1	1	1	1
Probation	2	4	6	6	6	6	6	6	6	6
Impact										
Prison Population	1	2	2	2	2	2	2	2	2	2
Field Population	2	4	7	7	7	7	7	7	7	7
Population Change	3	6	9	9	9	9	9	9	9	9

The total estimated net effect on all state funds will be (\$4,750) in fiscal year 2025, (\$19,378) in fiscal year 2026, and (\$19,766) in fiscal year 2027.

The total estimated net effect on all federal funds will be \$0 in fiscal year 2025, 2026, and 2027.

The total estimated net effect on all local funds will be \$0 in fiscal year 2025, 2026, and 2027.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for initiative petition 24-139 proposing to amend Article I, version 1.

Officials from the **Department of Revenue** indicated after a thorough review, their department assumes this IP will not have a fiscal or administrative impact on their department or their operations.

Officials from the **Department of Public Safety** indicated that the Missouri State Highway Patrol is the only division of their department with an impact. This initiative petition would require an individual to obtain a permit to conceal and carry a firearm. This would require each applicant to pass a NICS check as well as a fingerprint criminal record check pursuant to 571.101 RSMo. Prior to 2017, these checks were required to carry a concealed firearm. Based upon an average of the previous four years (2013-2016), the Patrol conducted 39,318 fingerprint criminal record checks per year. Since 2017, the Patrol conducted an annual average of 12,360 fingerprint criminal record checks per year. The Patrol expects the initiative would increase the number of checks back to the pre-2017 average number of 39,318 checks per year. The state fee for a fingerprint based criminal record check is \$14.00 per request, which the Patrol maintains in Criminal Records System Fund. The federal fee for fingerprint based criminal records checks is \$13.25 per request, of which the Patrol retains \$2.00. A total of \$16.00 would be retained in the Criminal Record System Fund per

request. Based on the estimate of 39,318 fingerprint criminal records checks per year, the Criminal Record System Fund would realize \$629,088 in annual revenue.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to firearms does not directly financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-139 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact is expected for their department or the Missouri Highways and Transportation Commission on initiative petition 24-139.

Officials from the **Office of Administration** indicated this proposal relating to firearms does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-139 a proposed constitutional amendment to Article I, version 1 (2024-139), there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri

Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender (SPD)** indicated initiative petition 24-139 will have a fiscal impact on SPD. The creation of carrying a concealed weapon without a permit as a class E felony would create additional caseload for MSPD. A case of this type would require an average of 35 hours of casework per the National Public Defense Workload Study. A SPD attorney handling only these additional cases would be able to handle approximately 60 new cases per year. It is unknown how many additional cases will be charged if this initiative petition is passed, but if 1,000 new cases were charged statewide and those charged were eligible for SPD representation, sixteen additional attorneys would be needed. If 5,000 new cases were charged and those charged were eligible for SPD representation, eighty additional attorneys would be needed.

Officials from the **Office of the State Treasurer** indicated no identifiable fiscal impact to their office.

Officials from **Clay County** indicated:

Based on history prior to open carry, they estimate the following impact from this petition:

- ~\$150,000 in additional revenues annually from CCW permits
- ~\$60,000 in expenditures annually for additional CCW Clerk staffing compensation costs
- ~\$90,000 in savings annually

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-139 proposing to amend Article I, version 1.

Officials from **St. Louis County** indicated this proposed constitutional amendment should have no fiscal impact on St. Louis County.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Jennings School District** indicated:

- While there does not appear to be a direct expense or revenue to school districts due to this legislation, any legislation that limits access to firearms can have an indirect positive effect on decreasing expenses for school districts if the legislation keeps more guns out of kids' hands and mitigates against unlawful use of firearms.
- School districts spend significant amounts on security due to threats and actual use of firearms on campus, especially in recent weeks at football games. Our district spends about \$750 per home football game and \$500 per home basketball game to hire off-duty police officers to mitigate against handguns. Over time, I believe districts can halve their expenses on this if we have a 50% reduction in gun displays/use on campus.

Officials from **Wellsville-Middletown R-1 School District** indicated unknown of the estimated cost or savings for the initiative petition.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated the University of Missouri System does not foresee any significant impact.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and determined it has no revenue or expense impact on their college. They assume the petition would not affect their law enforcement personnel.

Officials from the **Kansas City Board of Police Commissioners** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, State Technical College of Missouri, and the Metropolitan Police Department - City of St. Louis.**

Fiscal Note Summary

The Attorney General estimates increased legal costs of at least \$9 million. Other state governmental entities estimate costs of at least \$19,000 beginning in the first full year of implementation and annual revenue of \$629,000. Local governmental entities estimate annual revenue of at least \$150,000 and annual costs of at least \$60,000.



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SEP 11 2023

STATE AUDITORS OFFICE

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

September 11, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article III, version 4 (2024-138)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on September 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

4. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control.

5. Retail and mobile license applicants shall be required to pay a license fee.

a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.

b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.

7. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:

a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and

b. to the extent all reasonable expenses have been reimbursed, the remaining fees shall be deposited in the Compulsive Gambling Prevention Fund.

8. No licensee shall offer sports wagering to individuals in this state who are under twenty-one years of age.

9. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.

10. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall promulgate reasonable rules including, but not limited to:

a. standards governing the security and integrity of sports wagering, including requiring the use of official league data from each applicable sports governing body headquartered in the United States to determine the outcome of in-play wagers on a professional athlete or sporting event if made available to licensees on commercially reasonable terms;

b. requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;

c. prohibiting all sports wagering activity, including sports wagering promotional and advertising activity, within a sports district, unless approved by the professional sports team that plays its home games within the district, except such rules shall not prohibit any licensee from offering sports wagering through an online sports wagering platform to persons physically located within a sports district;

d. requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;

e. standards for the use and distribution of monies from the Compulsive Gambling Prevention Fund to include, but not be limited to research, detection, and prevention of compulsive gambling in this state and the implementation of treatment and recovery programs or services related to compulsive gambling in this state;

f. establishing fines, placing licensees on probation, and revoking licenses for violations of this section; and

g. establishing a start date for all sports wagering that is not later than December 31, 2025. No sports wagering shall be offered in the state before such start date established by the Commission.

11. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports wagering conducted by each licensee and each sports wagering operator acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in the state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(i) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(ii) to the Compulsive Gambling Prevention Fund until the Compulsive Gambling Prevention Fund has \$5,000,000 in total assets.

c. Such revenues shall not be included within the definition of “total state revenues” in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

12. There is hereby created in the state treasury the "Compulsive Gambling Prevention Fund", which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall stand appropriated without further legislative action.

13. As used in this section the following terms shall mean:

a. “Adjusted gross revenue,” the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

(1) All cash and cash equivalents paid out as winnings to sports wagering patrons;

(2) The actual costs paid by a licensee for anything of value provided to and redeemed by patrons, including merchandise or services distributed to sports wagering patrons to incentivize sports wagering;

(3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee’s patrons, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering patrons.

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the certificate holder shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. “Commission,” means the Missouri Gaming Commission;

c. “Excursion gambling boat” means an excursion gambling boat or floating facility as described in Article III, Section 39(e);

d. “License” means any retail license or mobile license.

e. “Licensee” means the holder of any license.

f. “Mobile license” means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. “Online sports wagering platform” means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate online sports wagering.

h. “Professional sports team” means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women’s National Basketball Association, or the National Women’s Soccer League.

i. “Retail license” means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. “Sports district,” means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. “Sports wagering,” means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events. Sports wagering shall not include a fantasy sports contest comprising multiple participants, not including a fantasy sports contest operator, in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. Sports wagering shall not include wagering on youth or high school events or wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant.

l. “Sports wagering operator,” means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

14. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

15. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-138)**

Subject

Initiative petition from Alixandra Cossette regarding a proposed constitutional amendment to Article III. (Received September 11, 2023)

Date

September 29, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **State Auditor's office**, and the **Missouri Gaming Commission**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-138 and determined there is no measurable impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated there will be a fiscal impact for their department, but they are deferring to the Gaming Commission's revenue estimates.

Officials from the **Department of Health and Senior Services** indicated this initiative petition is a no impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health (DMH)** indicated this petition would modify Article III, Section 39(g) of the Missouri Constitution legalizing sports wagering in Missouri. Implementation of the initiative petition may result in increased demand for DMH services due to increased access to gambling opportunities but does not appear to mandate any individual to receive treatment which will remain voluntary.

The initiative petition does not appear to create an additional fiscal impact to DMH unless the number of consumers increases and requires additional services to be provided by DMH.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition proposing to amend Article III, version 4.

Officials from the **Department of Revenue** indicated after thorough review, the Department's response to this initiative petition:

IP 24-138 attempts to create a sports wagering program in the state of Missouri. For Sections 39(g)1- Section 39(g)4 the Department of Revenue (DOR) defers to the Missouri Gaming Commission for impact.

Section 39(g)5 requires retail and mobile license applicants to pay license fees. The amount of the fees are to be set by "the Commission". It is unclear the amount of fee that will be assessed or what criteria to use to set the fee.

Additionally, Section 39(g)5 says the fees will be "collected by the state". However, it does not indicate which Department or Commission will receive the fees for deposit. Additionally, it does not indicate which fund the fees are to be deposited into while waiting on the appropriation authority to make the transfers to the designated programs outlined in this proposal. DOR cannot collect or deposit revenue without constitutional or statutory authority and cannot transfer funds to a program without appropriation transfer authority.

DOR is unable to calculate the amount of the potential fees collected without knowing the number of eligible entities to receive the retail license or the amount of the fee set. DOR notes it cannot collect the fees the way the proposal is currently written.

DOR notes this proposal does not have a Section 39(g)6. It goes from Section 39(g)5 to Section 39(g)7.

Section 39(g)11 imposes a 10% wagering tax on the adjusted gross revenue of the licensee. Once again this proposal does not designate to whom the tax is to be paid. Additionally, it does not indicate how often the tax is to be remitted. It also fails to indicate where the tax is to be deposited while it is awaiting transfer to designated activities outlined in this proposal. DOR cannot collect or deposit revenue without constitutional or statutory authority and cannot transfer funds to a program without appropriation transfer authority.

For informational purposes, DOR notes that excursion gambling boats currently remit their gambling taxes they collect nightly. Should DOR be given responsibility for the collection of this sports wagering tax they would need to set up a computer system similar to the existing gambling tax system. DOR would need \$100,415 (\$95 per hour * 1,057 hours work) for creation of the new computer sports wagering tax system. Their department would also need 1 ACSR with an annual salary of \$36,628 to process payments and reports, and they will need regulatory authority to implement and to impose rules for the collection of any non-filed or late taxes.

DOR is unable to calculate the amount of the potential tax collected without knowing the number of eligible licensees. DOR defers to the MO Gaming Commission for the estimate of potential tax collected.

Comments

Sports districts may include more than intended.

Section 13(j) explains that "sports district" includes any Missouri stadium with a capacity over 11,500 that operates as home for one or more "professional sports team". It also extends to the surrounding area within 400 yards of such premises.

Section 13(h) which defines "professional sports team" includes both Major League Soccer (MLS) and National Women's Soccer League (NWSL).

CITYPARK, which is home to the MLS team the St. Louis City SC is in downtown St. Louis. The 400 yard extension will potentially cover multiple streets with private retail and residential locations.

Soon the planned KC Current Stadium, home to the NWSL team the Kansas City Current will also be located in close proximity to private locations. Built within the Berkley Riverfront Park, the stadium will also be next to a public park.

Promotional and advertising activity may include more than intended.

While not defined, the "promotional and advertising activity" prohibited could include lawful commercial speech. This could trigger first amendment issues as it regulates lawful commercial advertisements that are not misleading nor deceptive. Based on the four-part test of Central Hudson, this restriction could face problems as advertisements are allowed within the area if approved by the professional sports team that plays in the district. Part 2 of the test asks if the government has a substantial interest in the restriction and part 3 asks if the restriction directly and materially advances the interest. It will be difficult to advance an interest that allows certain wagering advertisements and not others. Further, under Section 10(c) the sport teams themselves approve the messages, therefore the government has no oversight on what is approved or rejected. Also, certain government policies utilizing an unrestricted discretionary approval process have been found to be unconstitutional restrictions on speech.

Further, as it regulates only sports wagering it is a content-based restriction, and it could be suggested that as it only restricts the promotion or advertising of sports wagering and not anything related to advocating against sports wagering, it is a viewpoint-based restriction. This could increase the scrutiny the restriction would have to overcome past that of normal commercial speech regulations.

Finally, the restriction, depending on the government interest, may not be reasonable as the amendment includes the Compulsive Gambling Prevention Fund ("fund") discussed in 7(b) and 10(e). This would hinder part four of the test which asks if the restriction is no more restrictive than necessary. The fund could be seen as enough to satisfy the governmental interest. Section 10(d) could also be used to satisfy the interest as it prohibits certain

advertisements and promotions including misleading advertisements and marketing directed to minors.

Compulsive Gambling Prevention Fund

This proposal in Section 39(g)12 creates the Compulsive Gambling Prevention Fund which says it is to receive the "taxes and fees collected under this section". However, in Section 39(g)11 it caps the amount the Fund can receive at \$5 million. Therefore it is possible that Fund could not receive additional revenue coming into the state in one year and no other fund is designated to hold the revenue. Additionally, this Fund is not given responsibility for transferring to the other designated programs listed in the proposal.

Officials from the **Department of Public Safety - Office of the Director** indicated there is no impact for their department, Director's Office.

The Missouri State Highway Patrol will have an impact.

Response from the Missouri State Highway Patrol:

The Missouri State Highway Patrol anticipates the need for two (2) additional full-time employees (FTE) to conduct background investigations and the subsequent renewals for sports wagering vendors. Expenses related to the two (2) FTE would be paid for from the Gaming Fund (0286). These one-time and ongoing expenses would include salary, fringe, vehicles, gasoline, and related equipment. The Patrol's response below would be applicable for each of the initiative petitions.

Salary:

Position Title: Sergeant (V07005)
Annual Salary: \$99,648
Total Cost for Salaries: \$199,296

Fringe:

Annual Cost per Position: \$85,637
Total Fringe Amount: \$171,275

Expense & Equipment:

Initial Costs: \$167,110
Ongoing Costs: \$43,652

Total Cost for Salaries, Fringe, & Associated Equipment:

Initial Cost: \$537,681
Ongoing Costs: \$414,223

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to gambling does not directly finally impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-138 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission on initiative petition 24-138.

Officials from the **Office of Administration** indicated this proposal relating to gambling does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-138 a proposed constitutional amendment to Article III, version 4 (2024-138), there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions

certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-138 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no identifiable fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-138 proposing to amend Article III, version 4.

Officials from **St. Louis County** indicated this proposed constitutional amendment should have no fiscal impact to their county.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city unless a sports wagering operator paid the city a business license fee.

Officials from **Jennings School District** indicated this proposal, if passed, would generate additional revenue for school districts, including Jennings School District. An initial analysis indicated that more data is needed before an estimated amount can be calculated.

Officials from **Wellsville-Middletown R-1 School District** indicated it is unknown of the estimated cost or savings this measure would have.

Officials from **Metropolitan Community College** indicated will have a fiscal impact to their college. Unknown what that impact will be due to unknown revenue and expenses generated.

Officials from **University of Missouri** indicated the University of Missouri System does not expect cost to exceed \$100,000.

Official from **St. Louis Community College** indicated they have reviewed the petition initiative and cannot quantify the revenue impact from such legislation if passed. Of particular concern is that there is no basis in the initiative for allocation to individual institutions. They presume this could be left to State agencies responsible for the allocation of revenue to institutions; however, that may be problematic since different agencies and legislative processes may be involved in the allocation of funds.

Officials from the **State Auditor's office** (SAO) indicated there would be a fiscal impact on the SAO. They believe this would create the need for a stand-alone performance audit consisting of 500 hours. 500 hours multiplied by \$90.00 per hour (current average audit cost per staff hour) equals a \$45,000 impact.

Officials from the **Missouri Gaming Commission** (MGC) indicated:

This proposal will affect the Missouri State Highway Patrol, Missouri Dept. of Revenue, Missouri Dept. of Mental Health, Home Dock Cities/Counties, "sports districts" located in St. Louis and Kansas City, as that term is defined in the proposal.

It may have an impact on local jurisdictions and businesses surrounding and in close proximity to the "sports districts" located in St. Louis and Kansas City areas, as that term is defined in the proposal.

The MGC anticipates licensees to pay license fees and renewal fees to the MGC in order to regulate and manage sports wagering in Missouri. It also imposes certain taxes be paid by licensees based on their adjusted gross revenue.

If this initiative petition passes, the Missouri Gaming Commission (MGC) estimates needing fifteen new FTE positions, which would result in an initial cost to the MGC of \$1,786,582.86 (including salary, fringe, supplies, equipment, and travel/lodging related to job performance of those additional employees), in addition to approximately \$2,182,431.33, which represents 7.7% of the MGC existing budget each year (to cover the costs of MGC and MSHP Gaming Division staff plus expenses needed to license and regulate sports wagering) for a total initial cost of \$3,969,014.17. Additional costs included in this estimate may also encompass those associated with the development and implementation of responsible gambling programs. The total annual ongoing personnel cost, after the first year, is estimated to be \$3,910,738.87.

The MGC and the Missouri State Highway Patrol (MSHP) currently have a Memorandum of Understanding (MOU) in place which states that the MSHP will provide background and criminal and regulatory investigation and enforcement support to the MGC to assist it in carrying out its duties, which results in these additional costs.

The MGC estimates a total of 19 applicants for retail sports wagering licenses, to include the 13 current excursion gambling boats, plus 6 "sports districts" located in St. Louis and Kansas City areas, as that term is defined in the proposal. Initiative 24-138, Article III,

Section 39(g).3, allows up to 12 mobile licenses to sports wagering operators (one to each owner of an excursion gambling boat and one to each professional sports team).

Based on the number of sports wagering licenses, the MGC estimates collection of fees approximately \$10,750,000 million the first year and every fifth year of operation. Pursuant to Section 39(g).7 the fees would be utilized for reimbursement of expenses incurred by the MGC to regulate sports wagering. Any remaining fees will be deposited into the Compulsive Gambling Prevention Fund. Pursuant to Section 39(g).11 a wagering tax of 10% is imposed based on adjusted gross revenue. Annual revenues will be appropriated to elementary, secondary and higher education only after the annual tax revenues are used to reimburse expenses incurred by MGC and to fund the Compulsive Gambling Prevention Fund until it has \$5,000,000 in total assets.

In calculating tax revenue estimates, the Missouri Gaming Commission used the sports wagering data from a comparable state, Indiana, due to it having similar population, number of casinos, geographical proximity and other demographics as Missouri. Indiana's total adjusted receipts from sports wagering, which includes both retail (in-person) and online, was \$84,969,839 for 2020, \$240,503,973 for 2021, and \$328,639,984 for 2022. Assuming that the total adjusted gross revenue for sports wagering in Missouri will be comparable to that of Indiana, the Gaming Commission estimates that total adjusted gross revenue for sports wagering in Missouri will be \$63,514,955 for the first year, \$179,776,720 for the second year, \$245,658,388 for the third year, and \$266,539,351 for the fourth year (fourth year estimate is based on 8.5% growth from the previous year per a study completed by Eilers & Krejcik). In determining the aforementioned estimates, a .25% deduction for excise tax and a 25% deduction for promotional wagering were made to Missouri's total adjusted gross revenue from sports wagering due to the initiative's definition of adjusted gross revenue including such deductions for sports wagering, whereas Indiana's definition does not. In addition, the term of adjusted gross revenue includes deducting voided or cancelled wagers, uncollectible receivables, and actual costs for anything of value provided to the patron, but such deduction was not made in determining the aforementioned tax revenue estimates, because Indiana's adjusted gross receipts already include a 2% deduction for such, which the Missouri Gaming Commission estimates will be a similar amount in Missouri. Thus, using the total adjusted gross revenue for sports wagering in Missouri estimates, the Missouri Gaming Commission estimates that the revenue from the Gaming Tax (10% of Adjusted Gross Receipts) on sports wagering will be \$6,351,495.47 for the first year, \$17,977,671.98 for the second year, \$24,565,838.80 for the third year, and \$26,653,935.10 for the fourth year.

Based on the licensing and renewal fees for sports wagering applicants and the taxes on the adjusted gross revenue the total amount of fees and taxes collected may be sufficient to cover the Missouri Gaming Commission's costs to license and regulate sports wagering, however, that is dependent on the total amount of deductions applied to the adjusted gross revenue.

Technical Notes:

Section 5(a) and 5(b) – These sections specify the fees for both (a) retail and (b) mobile licenses. Retail license applicants shall be required to pay a license fee of \$250,000 with a license renewal fee of \$250,000 every five (5) years. Mobile license applicants shall be required to pay a license fee of \$500,000 with a license renewal fee of \$500,000 every five (5) years. To the extent that other language in the petition proscribes allocation of the fees, there is concern that the licensing fees will not cover the expenses of the Missouri Gaming Commission (the “Commission”) during years in which licensing fees or renewals are not collected (i.e., years two, three, and four).

Section 7 – This section describes appropriation for the fees collected by the Commission. Section 7(a) requires that the fees first be used to reimburse the Commission for their reasonable expenses incurred to regulate sports wagering with the remaining fees being deposited into the Compulsive Gambling Prevention Fund. This section raises the question of where the fee monies are being deposited in the first instance if the language requires reimbursement to the Commission. Currently, fees for licensees are deposited with the Missouri Gaming Commission Fund and appropriated accordingly after the Commission’s reasonable expenses have been satisfied. The process by which the Commission is reimbursed is not clear in the current petition, nor is it clear in general how the funds will be dispersed. The Commission suggests explicitly requiring fees to be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 9 – This section requires that licensees maintain in the state, or other location approved by the Commission and consistent with federal law, a computer server or servers used to receive transmissions of requests to place wagers and that transmit acceptance of those requests. Under current federal law, the servers would only be intrastate. The Commission is also aware of a potential conflict between the petition and Article III, Section 39 regarding the location of the servers within the state.

Section 11 – This section requires that a 10% tax be imposed upon the adjusted gross revenue received from sports wagering by each licensee, to be appropriated for elementary, secondary, and higher education, and to be paid after appropriations for the Commission’s reasonable expenses and contributions the Compulsive Gambling Prevention Fund until such fund has \$5,000,000. In years where the Commission does not collect renewal fees, licensing fees will be insufficient to meet the Commission’s reasonable expenses and would thus require the Commission to rely upon tax funds that would otherwise be appropriated to education in the state of Missouri. Section 11 also raises the question of what happens when the Compulsive Gambling Prevention Fund reaches \$5,000,000 and whether in subsequent years the Fund is required to be maintained at \$5,000,000.

Section 12 – This section requires that there will be the Compulsive Gambling Prevention Fund created in the state treasury which shall consist of the taxes and fees collected pursuant to the petition. The section is not clear if the Compulsive Gambling Prevention Fund shall contain only the funds specifically directed to the Fund, up to \$5,000,000, or if

the entirety of fees and taxes will be deposited into this fund in the first instance for later reimbursement and appropriation. This concern mirrors the notes related to Section 7.

Section 13(a) – This section states that the definition of adjusted gross revenue (as related to the wagering tax of 10% imposed in Section 11) is the total of all cash or cash equivalents received by a licensee from sports wagering minus (1) all cash and cash equivalents paid out as winnings to patrons, (2) the actual costs paid by a licensee for anything of value provided to and redeemed by patrons, including merchandise or services distributed to sports wagering patrons to incentivize sports wagering, (3) voided or cancelled wagers, (4) the costs of free play or promotional credits provided to and redeemed by the applicable licensee's patrons, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month, (5) any sums paid as a result of any federal tax, including federal excise tax, and (6) uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering patrons. Section 13(a) also states in (7) that if the amount of adjusted gross receipts in a calendar month is a negative figure, the certificate holder shall remit no sports wagering tax for that calendar month and any negative receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

1. There is a question as to Section 13(a)(4) as to whether the twenty-five percent figure is related to gross amounts or gross amounts less any winnings paid out to patrons.
2. There is a question as to Section 13(a)(5) as to whether "any federal tax" includes taxes from any jurisdiction or just federal taxes imposed from business in the State of Missouri.
3. Section 13(a)(7) appears as if it needs to be its own separate section independent from Sections 13(a)(1) through (6), as it does not define or identify deductions from gross revenue. Section 13(a)(7) also includes the term "certificate holder," which is not defined in the petition, nor is it used elsewhere.
4. There is also a question as to whether the totality of the deductions identified in Sections 13(a)(1) through (6) will result in sports wagering licensees showing negative adjusted gross revenues and therefore paying no sports wagering tax. This would in turn impact the ability of the Commission to meet its reasonable expenses as well as limit or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri. Additionally, the carryover provisions in Section 13(a)(7) would further impact the ability of the Commission to meet its reasonable expenses and further impact or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri.

They also provided the following information.

Initiative Petition 24-138
Sports Wagering Summary Financial Summary Sheet

	1st Year	2nd Year	3rd Year	4th Year	5th Year
Tax Revenue Estimate	\$ 6,351,495.47	\$ 17,977,671.98	\$ 24,565,838.80	\$ 26,653,935.10	\$ 28,919,519.62
Fee Revenue Estimate	\$ 10,750,000.00	\$ -	\$ -	\$ -	\$ 10,750,000.00
Salary Expense Estimates	\$ (1,786,582.84)	\$ (1,728,307.54)	\$ (1,728,307.54)	\$ (1,728,307.54)	\$ (1,728,307.54)
E&E Expense Estimates	\$ (2,182,431.33)	\$ (2,182,431.33)	\$ (2,182,431.33)	\$ (2,182,431.33)	\$ (2,182,431.33)
Remaining Balance	\$ 13,132,481.30	\$ 14,066,933.11	\$ 20,655,099.94	\$ 22,743,196.23	\$ 35,758,780.75
To Compulsive Gambling	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00
To Education	\$ 8,132,481.30	\$ 9,066,933.11	\$ 15,655,099.94	\$ 17,743,196.23	\$ 30,758,780.75

Explanation:

Revenue minus Expense equals Remaining Balance. The first \$5M of the Remaining Balance go to the Compulsive Gaming Fund. The remaining funds go to institutions of elementary, secondary, and higher education.

The above summary assumes that all funds deposited to the Compulsive Gambling Fund are spent each year. While this is unlikely, we are unable to determine how much of the funds will be spent because the rules regarding the Compulsive Gambling Fund expenditures will need to be written.

Estimate of Missouri's Sports Betting Revenue based on Indiana's Sports Betting Experience

Indiana Sports Betting Total Adjusted Gross Receipts From Regulated Sports Betting, First Three Full Years of Operation

	Retail Gross Receipts	Online Gross Receipts	Total Gross Receipts	Excise Tax of .25% ***	Promotional Wagering est. 25% ****	Grand Total (Total minus Excise Tax and Promotional Wagering)
Year 1 (2020)*	\$ 36,450,058	\$ 48,519,781	\$ 84,969,839	\$ 212,425	\$ 21,242,460	\$ 63,514,955
Year 2 (2021)	\$ 48,766,484	\$ 191,737,489	\$ 240,503,973	\$ 601,260	\$ 60,125,993	\$ 179,776,720
Year 3 (2022)	\$ 40,292,892	\$ 288,347,092	\$ 328,639,984	\$ 821,600	\$ 82,159,996	\$ 245,658,388
Year 4 (2023)**	\$ 43,717,788	\$ 312,856,595	\$ 356,574,383	\$ 891,436	\$ 89,143,596	\$ 266,539,351
Year 5 (2024)**	\$ 47,433,800	\$ 339,449,406	\$ 386,883,206	\$ 967,208	\$ 96,720,801	\$ 289,195,196

Annualized Indiana Data for 2020 (Revenue/10 months) x 12 months

Retail	\$ 30,375,048	\$ 36,450,058
Online	\$ 48,766,484	\$ 58,519,781

* Indiana only had sports betting for 10 months of 2020. Therefore, the 2020 figures have been annualized. Adjusted gross receipts were obtained from Indiana Gaming Commission's 2022 Annual Report (see link below). Indiana's adjusted gross receipts includes a 2% deduction for estimated voided or cancelled wagers and uncollectible receivables, similar to what is done in Missouri.

<https://www.in.gov/igc/files/FY2022-Annual.pdf>

NOTE: Indiana was chosen for comparison due to their similar population, number of casinos, geographical proximity and other demographics (see Census link below).

<https://www.census.gov/quickfacts/fact/table/MO,IN,US/HSG445220>

** Per a study completed by Eilers & Krejciek for the state of Indiana, forecasts reflect a baseline maturity state at Year 3, and they estimated an 8.5% growth for Year 4 and 5.

<https://www.in.gov/igc/files/Indiana-SportsBettingReport-Final-Oct18-1.pdf>

*** Section 39(g) 13. a. (5) of the proposed petition states that a licensee can deduct "any sums paid as a result of ANY federal tax, including federal excise tax." We are unable to discern what is included in "any federal tax", however we have used the federal excise tax (.25%) in our calculation.

**** Section 39(g) 13. a. (4) of the proposed petition states that a licensee can deduct "twenty-five percent of the total of all cash and cash equivalents received" for the costs of free play or promotional credits. However, our data is from Indiana and they do not allow for such deductions. Although we are unable to determine how much of a deduction a licensee would take, we have applied the 25% to the adjusted gross receipts.

Fee Calculations

Revenue Streams¹	Number of Applicants or Holders of Sports Wagering	Fee Amount	1st Year	2nd Year	3rd Year	4th Year	5th Year
Retail License - Boats	13	\$ 250,000.00	\$ 3,250,000.00	\$ -	\$ -	\$ -	\$ 3,250,000.00
Retail License - Professional Teams	6	\$ 250,000.00	\$ 1,500,000.00	\$ -	\$ -	\$ -	\$ 1,500,000.00
Mobile License - Mobile Operators	12	\$ 500,000.00	\$ 6,000,000.00	\$ -	\$ -	\$ -	\$ 6,000,000.00
TOTAL FEES COLLECTED²			\$ 10,750,000.00	\$ -	\$ -	\$ -	\$ 10,750,000.00

¹ Total Fees Collected are estimates only and are based on the assumption that all casinos and sportbook providers are being approved and licensed at the same time.

Sports Wagering

Salary Calculations

Position Title	# of FTE	Annual Salary	Annual Fringes (36.48% plus \$15,586)	IT Equipment (one time)	IT Equipment (ongoing)	Desk (one time)	Chair (one time)	File Cabinet (one time)	Calculator (one time)	Office Supplies (ongoing)	Voice/Data Wiring (one time)	Voice/Data (ongoing)	Annual Travel Expenses Related to Job Performance (ongoing)	TOTAL	Second Year and Ongoing
Senior Applications Developer	1	\$ 73,692.34	\$ 40,317.34	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 129,524.06	\$ 125,639.04
Program Coordinator (Sports Wagering)	1	\$ 83,463.34	\$ 43,596.51	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 142,574.23	\$ 138,689.21
Program Coordinator (Responsible Gaming)	1	\$ 83,463.34	\$ 43,596.51	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 142,574.23	\$ 138,689.21
Legal Counsel	1	\$ 91,279.30	\$ 46,219.57	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 153,013.25	\$ 149,128.23
Cybersecurity Specialist	1	\$ 83,463.34	\$ 43,596.51	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 142,574.23	\$ 138,689.21
Financial Analyst	1	\$ 77,608.41	\$ 41,631.58	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 134,754.37	\$ 130,869.35
Electronic Gaming Device Specialist	1	\$ 63,020.00	\$ 36,735.67	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 115,270.05	\$ 111,385.03
Electronic Gaming Device Specialist	1	\$ 63,020.00	\$ 36,735.67	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 115,270.05	\$ 111,385.03
Administrative Support Assistant	1	\$ 44,258.29	\$ 30,439.20	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 90,211.87	\$ 86,326.85
Administrative Support Assistant	1	\$ 44,258.29	\$ 30,439.20	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 90,211.87	\$ 86,326.85
Administrative Support Professional (Licensing)	1	\$ 50,416.10	\$ 32,505.77	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 98,436.26	\$ 94,551.24
Administrative Support Professional (Admin)	1	\$ 52,985.77	\$ 33,368.16	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 101,868.31	\$ 97,983.29
Regulatory Auditor (Policy)	1	\$ 59,149.06	\$ 35,436.58	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 110,100.02	\$ 106,215.00
Cybersecurity Analyst	1	\$ 59,149.06	\$ 35,436.58	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 110,100.02	\$ 106,215.00
Cybersecurity Analyst	1	\$ 59,149.06	\$ 35,436.58	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 110,100.02	\$ 106,215.00
TOTAL	15	\$ 988,375.71	\$ 565,491.43	\$ 24,690.30	\$ 6,170.40	\$ 9,015.00	\$ 10,785.00	\$ 8,985.00	\$ 300.00	\$ 5,580.00	\$ 4,500.00	\$ 6,300.00	\$ 156,390.00	\$ 1,786,582.84	\$ 1,728,307.54
Add additional MGC expense (from Sports Wagering Cost tab):														\$ 2,182,431.33	\$ 2,182,431.33
Total estimated annual cost to MGC:														\$ 3,969,014.17	\$ 3,910,738.87

SPORTS WAGERING COST

17 Sports Gaming Employees / 222
Current + Sports Gaming Employees =

7.7%

Ratio of Sports
Gaming to Total
Employees

	FY23 Total MGC Expenses	FY23 Ratio of Sports Gaming to Total Employees (7.7%)
Salaries	\$13,935,002.20	\$1,067,094.76
Fringe	\$10,622,003.38	\$813,396.66
Travel In-State	\$49,796.31	\$3,813.23
Travel Out-State	\$54,147.98	\$4,146.47
Supplies	\$48,699.60	\$3,729.25
Professional Development	\$40,553.53	\$3,105.45
Communication Serv & Supplies	\$229,976.66	\$17,610.83
Professional Services	\$197,742.30	\$15,142.43
Maintenance & Repair Services	\$272,326.50	\$20,853.83
Computer Equipment	\$128,017.34	\$9,803.13
Office Equipment	\$599.99	\$45.95
Property and Improvements	\$8,200.00	\$627.93
Building Lease Payments	\$540,464.53	\$41,386.92
Equipment Rental & Leases	\$1,806.50	\$138.34
Miscellaneous Expenses	\$4,294.87	\$328.89
Attorney General Salaries	\$68,650.26	\$5,257.00
Attorney General Expense & Equipment	\$16,942.88	\$1,297.43
Real Estate PS - Other	\$741.00	\$56.74
MSHP Vehicle Maintenance	\$419,842.62	\$32,150.11
MSHP Gasoline	\$648,515.18	\$49,661.07
MSHP Administration	\$8,229.67	\$630.20
MSHP Academy PS	\$90,528.42	\$6,932.36
MSHP Academy E&E	\$35,947.54	\$2,752.74
MSHP Admin PS	\$38,525.32	\$2,950.14
MSHP Vehicle Replacement	\$504,420.00	\$38,626.76
MOVERS Cost Allocation	\$137,908.00	\$10,560.52
Cost Allocation Plan	\$396,103.00	\$30,332.21
TOTAL	\$28,499,985.58	\$2,182,431.33

The approximate \$2.1M represents the current MGC and MSHP Gaming Division staff and expenses. The fees received from sports wagering licensing would cover the expenses related to sports wagering regulation for years 1 and 5. However, since no licensing fees would likely be received in years 2, 3, and 4, the expenses related to sports wagering regulation would need to come from tax collected per Section 39(g) 11. a. of the petition.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, and State Technical College of Missouri.**

Fiscal Note Summary

State governmental entities estimate one-time costs of \$326,000, ongoing costs of \$4.4 million annually, initial license fee revenue of \$10.75 million, and ongoing annual tax revenue ranging from \$6.4 million to \$26.7 million by the fourth year of implementation. Local governments estimate unknown revenue.



RECEIVED

SEP 11 2023

STATE AUDITORS OFFICE

ELECTIONS DIVISION
(573) 751-2301

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

September 11, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article III, version 3 (2024-137)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on September 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

c. The Commission shall issue not more than two mobile licenses to operate sports wagering in this state directly to qualified applicants that are sports wagering operators. Each sports wagering operator shall only be eligible for one mobile license. If there are more than two qualified applicants for a mobile license to be issued by the Commission directly to a sports wagering operator under this section, the Commission shall select the applicant based on the applicant's demonstrable history as one of the top two licensed sports wagering operators in the United States, as determined by aggregate tax revenue generation across all jurisdictions in the past three years.

4. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control.

5. Retail and mobile license applicants shall be required to pay a license fee.

- a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.
- b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.
7. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:
- a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and
- b. to the extent all reasonable expenses incurred by the Commission have been reimbursed, the remaining fees shall be deposited in the Compulsive Gambling Prevention Fund.
8. No licensee shall offer sports wagering to individuals in this state who are under twenty-one years of age.
9. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.
10. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall promulgate reasonable rules including, but not limited to:
- a. standards governing the security and integrity of sports wagering, including requiring the use of official league data from each applicable sports governing body headquartered in the United States to determine the outcome of in-play wagers on a professional athlete or sporting event if made available to licensees on commercially reasonable terms;
- b. requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;
- c. prohibiting all sports wagering activity, including sports wagering promotional and advertising activity, within a sports district, unless approved by the professional sports team that plays its home games within the district, except such rules shall not prohibit any licensee from offering sports wagering through an online sports wagering platform to persons physically located within a sports district;
- d. requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;
- e. standards for the use and distribution of monies from the Compulsive Gambling Prevention Fund to include, but not be limited to research, detection and prevention of compulsive gambling in this state and the implementation of treatment, and recovery programs or services related to compulsive gambling in this state;
- f. establishing fines, placing licensees on probation, and revoking licenses for violations of this section; and
- g. establishing a start date for all sports wagering that is not later than December 31, 2025. No sports wagering shall be offered in the state before such start date established by the Commission.
11. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports

wagering conducted by each licensee and each sports wagering operator acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in the state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(i) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(ii) to the Compulsive Gambling Prevention Fund until the Compulsive Gambling Prevention Fund has \$5,000,000 in total assets.

c. Such revenues shall not be included within the definition of “total state revenues” in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

12. There is hereby created in the state treasury the “Compulsive Gambling Prevention Fund”, which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall stand appropriated without further legislative action.

13. As used in this section the following terms shall mean:

a. “Adjusted gross revenue,” the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

(1) All cash and cash equivalents paid out as winnings to sports wagering patrons;

(2) The actual costs paid by a licensee for anything of value provided to and redeemed by patrons, including merchandise or services distributed to sports wagering patrons to incentivize sports wagering;

(3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee’s patrons, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering patrons.

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the certificate holder shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. “Commission,” means the Missouri Gaming Commission;

c. “Excursion gambling boat” means an excursion gambling boat or floating facility as described in Article III, Section 39(e);

d. “License” means any retail license or mobile license.

e. “Licensee” means the holder of any license.

f. “Mobile license” means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. “Online sports wagering platform” means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate online sports wagering.

h. “Professional sports team” means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women’s National Basketball Association, or the National Women’s Soccer League.

i. “Retail license” means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. “Sports district,” means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. “Sports wagering,” means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events. Sports wagering shall not include a fantasy sports contest comprising multiple participants, not including a fantasy sports contest operator, in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. Sports wagering shall not include wagering on youth or high school events or wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant.

l. “Sports wagering operator,” means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

14. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

15. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-137)**

Subject

Initiative petition from Alixandra Cossette regarding a proposed constitutional amendment to Article III. (Received September 11, 2023)

Date

September 29, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **State Auditor's office**, and the **Missouri Gaming Commission**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-137 and determined there is no measurable impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated there will be a fiscal impact for their department, but they are deferring to the Gaming Commission's revenue estimates.

Officials from the **Department of Health and Senior Services** indicated this initiative petition is a no impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health (DMH)** indicated this petition would modify Article III, Section 39(g) of the Missouri Constitution legalizing sports wagering in Missouri. Implementation of the initiative petition may result in increased demand for DMH services due to increased access to gambling opportunities but does not appear to mandate any individual to receive treatment which will remain voluntary.

The initiative petition does not appear to create an additional fiscal impact to DMH unless the number of consumers increases and requires additional services to be provided by DMH.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition proposing to amend Article III, version 3.

Officials from the **Department of Revenue** indicated after thorough review, the Department's response to this initiative petition:

IP 24-137 attempts to create a sports wagering program in the state of Missouri. For Sections 39(g)1- Section 39(g)4 the Department of Revenue (DOR) defers to the Missouri Gaming Commission for impact.

Section 39(g)5 requires retail and mobile license applicants to pay license fees. The amount of the fees are to be set by "the Commission". It is unclear the amount of fee that will be assessed or what criteria to use to set the fee.

Additionally, Section 39(g)5 says the fees will be "collected by the state". However, it does not indicate which Department or Commission will receive the fees for deposit. Additionally, it does not indicate which fund the fees are to be deposited into while waiting on the appropriation authority to make the transfers to the designated programs outlined in this proposal. DOR cannot collect or deposit revenue without constitutional or statutory authority and cannot transfer funds to a program without appropriation transfer authority.

DOR is unable to calculate the amount of the potential fees collected without knowing the number of eligible entities to receive the retail license or the amount of the fee set. DOR notes it cannot collect the fees the way the proposal is currently written.

DOR notes this proposal does not have a Section 39(g)6. It goes from Section 39(g)5 to Section 39(g)7.

Section 39(g)11 imposes a 10% wagering tax on the adjusted gross revenue of the licensee. Once again this proposal does not designate to whom the tax is to be paid. Additionally, it does not indicate how often the tax is to be remitted. It also fails to indicate where the tax is to be deposited while it is awaiting transfer to designated activities outlined in this proposal. DOR cannot collect or deposit revenue without constitutional or statutory authority and cannot transfer funds to a program without appropriation transfer authority.

For informational purposes, DOR notes that excursion gambling boats currently remit their gambling taxes they collect nightly. Should DOR be given responsibility for the collection of this sports wagering tax they would need to set up a computer system similar to the existing gambling tax system. DOR would need \$100,415 (\$95 per hour * 1,057 hours work) for creation of the new computer sports wagering tax system. Their department would also need 1 ACSR with an annual salary of \$36,628 to process payments and reports, and they will need regulatory authority to implement and to impose rules for the collection of any non-filed or late taxes.

DOR is unable to calculate the amount of the potential tax collected without knowing the number of eligible licensees. DOR defers to the MO Gaming Commission for the estimate of potential tax collected.

Comments

Sports districts may include more than intended.

Section 13(j) explains that "sports district" includes any Missouri stadium with a capacity over 11,500 that operates as home for one or more "professional sports team". It also extends to the surrounding area within 400 yards of such premises.

Section 13(h) which defines "professional sports team" includes both Major League Soccer (MLS) and National Women's Soccer League (NWSL).

CITYPARK, which is home to the MLS team the St. Louis City SC is in downtown St. Louis. The 400 yard extension will potentially cover multiple streets with private retail and residential locations.

Soon the planned KC Current Stadium, home to the NWSL team the Kansas City Current will also be located in close proximity to private locations. Built within the Berkley Riverfront Park, the stadium will also be next to a public park.

Promotional and advertising activity may include more than intended.

While not defined, the "promotional and advertising activity" prohibited could include lawful commercial speech. This could trigger first amendment issues as it regulates lawful commercial advertisements that are not misleading nor deceptive. Based on the four-part test of Central Hudson, this restriction could face problems as advertisements are allowed within the area if approved by the professional sports team that plays in the district. Part 2 of the test asks if the government has a substantial interest in the restriction and part 3 asks if the restriction directly and materially advances the interest. It will be difficult to advance an interest that allows certain wagering advertisements and not others. Further, under Section 10(c) the sport teams themselves approve the messages, therefore the government has no oversight on what is approved or rejected. Also, certain government policies utilizing an unrestricted discretionary approval process have been found to be unconstitutional restrictions on speech.

Further, as it regulates only sports wagering it is a content-based restriction, and it could be suggested that as it only restricts the promotion or advertising of sports wagering and not anything related to advocating against sports wagering, it is a viewpoint-based restriction. This could increase the scrutiny the restriction would have to overcome past that of normal commercial speech regulations.

Finally, the restriction, depending on the government interest, may not be reasonable as the amendment includes the Compulsive Gambling Prevention Fund ("fund") discussed in 7(b) and 10(e). This would hinder part four of the test which asks if the restriction is no more restrictive than necessary. The fund could be seen as enough to satisfy the governmental interest. Section 10(d) could also be used to satisfy the interest as it prohibits certain

advertisements and promotions including misleading advertisements and marketing directed to minors.

Compulsive Gambling Prevention Fund

This proposal in Section 39(g)12 creates the Compulsive Gambling Prevention Fund which says it is to receive the "taxes and fees collected under this section". However, in Section 39(g)11 it caps the amount the Fund can receive at \$5 million. Therefore it is possible that Fund could not receive additional revenue coming into the state in one year and no other fund is designated to hold the revenue. Additionally, this Fund is not given responsibility for transferring to the other designated programs listed in the proposal.

Officials from the **Department of Public Safety - Office of the Director** indicated there is no impact for their department, Director's Office.

The Missouri State Highway Patrol will have an impact.

Response from the Missouri State Highway Patrol:

The Missouri State Highway Patrol anticipates the need for two (2) additional full-time employees (FTE) to conduct background investigations and the subsequent renewals for sports wagering vendors. Expenses related to the two (2) FTE would be paid for from the Gaming Fund (0286). These one-time and ongoing expenses would include salary, fringe, vehicles, gasoline, and related equipment. The Patrol's response below would be applicable for each of the initiative petitions.

Salary:

Position Title: Sergeant (V07005)
Annual Salary: \$99,648
Total Cost for Salaries: \$199,296

Fringe:

Annual Cost per Position: \$85,637
Total Fringe Amount: \$171,275

Expense & Equipment:

Initial Costs: \$167,110
Ongoing Costs: \$43,652

Total Cost for Salaries, Fringe, & Associated Equipment:

Initial Cost: \$537,681
Ongoing Costs: \$414,223

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to gambling does not directly finally impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-137 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission on initiative petition 24-137.

Officials from the **Office of Administration** indicated this proposal relating to gambling does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-137 a proposed constitutional amendment to Article III, version 3 (2024-137), there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions

certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-137 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no identifiable fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-137 proposing to amend Article III, version 3.

Officials from **St. Louis County** indicated this proposed constitutional amendment should have no fiscal impact to their county.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city unless a sports wagering operator paid the city a business license fee.

Officials from **Jennings School District** indicated this proposal, if passed, would generate additional revenue for school districts, including Jennings School District. An initial analysis indicated that more data is needed before an estimated amount can be calculated.

Officials from **Wellsville-Middletown R-1 School District** indicated it is unknown of the estimated cost or savings this measure would have.

Officials from **Metropolitan Community College** indicated will have a fiscal impact to their college. Unknown what that impact will be due to unknown revenue and expenses generated.

Officials from **University of Missouri** indicated the University of Missouri System does not expect cost to exceed \$100,000.

Official from **St. Louis Community College** indicated they have reviewed the petition initiative and cannot quantify the revenue impact from such legislation if passed. Of particular concern is that there is no basis in the initiative for allocation to individual institutions. They presume this could be left to State agencies responsible for the allocation of revenue to institutions; however, that may be problematic since different agencies and legislative processes may be involved in the allocation of funds.

Officials from the **State Auditor's office** (SAO) indicated there would be a fiscal impact on the SAO. They believe this would create the need for a stand-alone performance audit consisting of 500 hours. 500 hours multiplied by \$90.00 per hour (current average audit cost per staff hour) equals a \$45,000 impact.

Officials from the **Missouri Gaming Commission** (MGC) indicated:

This proposal will affect the Missouri State Highway Patrol, Missouri Dept. of Revenue, Missouri Dept. of Mental Health, Home Dock Cities/Counties, "sports districts" located in St. Louis and Kansas City, as that term is defined in the proposal.

It may have an impact on local jurisdictions and businesses surrounding and in close proximity to the "sports districts" located in St. Louis and Kansas City areas, as that term is defined in the proposal.

The MGC anticipates licensees to pay license fees and renewal fees to the MGC in order to regulate and manage sports wagering in Missouri. It also imposes certain taxes be paid by licensees based on their adjusted gross revenue.

If this initiative petition passes, the Missouri Gaming Commission (MGC) estimates needing fifteen new FTE positions, which would result in an initial cost to the MGC of \$1,786,582.86 (including salary, fringe, supplies, equipment, and travel/lodging related to job performance of those additional employees), in addition to approximately \$2,182,431.33, which represents 7.7% of the MGC existing budget each year (to cover the costs of MGC and MSHP Gaming Division staff plus expenses needed to license and regulate sports wagering) for a total initial cost of \$3,969,014.17. Additional costs included in this estimate may also encompass those associated with the development and implementation of responsible gambling programs. The total annual ongoing personnel cost, after the first year, is estimated to be \$3,910,738.87.

The MGC and the Missouri State Highway Patrol (MSHP) currently have a Memorandum of Understanding (MOU) in place which states that the MSHP will provide background and criminal and regulatory investigation and enforcement support to the MGC to assist it in carrying out its duties, which results in these additional costs.

The MGC estimates a total of 19 applicants for retail sports wagering licenses, to include the 13 current excursion gambling boats, plus 6 "sports districts" located in St. Louis and Kansas City areas, as that term is defined in the proposal. Initiative 24-137, Article III, Section 39(g).3, c, allows only 2 mobile licenses to sports wagering operators which would

require the excursion gambling boats and sports districts or their designated sports wagering operator to utilize one of the 2 mobile licenses.

Based on the number of sports wagering licenses, the MGC estimates collection of fees approximately \$5.750 million the first year and every fifth year of operation. Pursuant to Section 39(g).7 the fees would be utilized for reimbursement of expenses incurred by the MGC to regulate sports wagering. Any remaining fees will be deposited into the Compulsive Gambling Prevention Fund. Pursuant to Section 39(g).11 a wagering tax of 10% is imposed based on adjusted gross revenue. Annual revenues will be appropriated to elementary, secondary and higher education only after the annual tax revenues are used to reimburse expenses incurred by MGC and to fund the Compulsive Gambling Prevention Fund until it has \$5,000,000 in total assets.

In calculating tax revenue estimates, the Missouri Gaming Commission used the sports wagering data from a comparable state, Indiana, due to it having similar population, number of casinos, geographical proximity and other demographics as Missouri. Indiana's total adjusted receipts from sports wagering, which includes both retail (in-person) and online, was \$84,969,839 for 2020, \$240,503,973 for 2021, and \$328,639,984 for 2022. Assuming that the total adjusted gross revenue for sports wagering in Missouri will be comparable to that of Indiana, the Gaming Commission estimates that total adjusted gross revenue for sports wagering in Missouri will be \$63,514,955 for the first year, \$179,776,720 for the second year, \$245,658,388 for the third year, and \$266,539,351 for the fourth year (fourth year estimate is based on 8.5% growth from the previous year per a study completed by Eilers & Krejcik). In determining the aforementioned estimates, a .25% deduction for excise tax and a 25% deduction for promotional wagering were made to Missouri's total adjusted gross revenue from sports wagering due to the initiative's definition of adjusted gross revenue including such deductions for sports wagering, whereas Indiana's definition does not. In addition, the term of adjusted gross revenue includes deducting voided or cancelled wagers, uncollectible receivables, and actual costs for anything of value provided to the patron, but such deduction was not made in determining the aforementioned tax revenue estimates, because Indiana's adjusted gross receipts already include a 2% deduction for such, which the Missouri Gaming Commission estimates will be a similar amount in Missouri. Thus, using the total adjusted gross revenue for sports wagering in Missouri estimates, the Missouri Gaming Commission estimates that the revenue from the Gaming Tax (10% of Adjusted Gross Receipts) on sports wagering will be \$6,351,495.47 for the first year, \$17,977,671.98 for the second year, \$24,565,838.80 for the third year, and \$26,653,935.10 for the fourth year.

Based on the licensing and renewal fees for sports wagering applicants and the taxes on the adjusted gross revenue the total amount of fees and taxes collected may be sufficient to cover the Missouri Gaming Commission's costs to license and regulate sports wagering, however, that is dependent on the total amount of deductions applied to the adjusted gross revenue.

Technical Notes:

Section 5(a) and 5(b) – These sections specify the fees for both (a) retail and (b) mobile licenses. Retail license applicants shall be required to pay a license fee of \$250,000 with a license renewal fee of \$250,000 every five (5) years. Mobile license applicants shall be required to pay a license fee of \$500,000 with a license renewal fee of \$500,000 every five (5) years. To the extent that other language in the petition proscribes allocation of the fees, there is concern that the licensing fees will not cover the expenses of the Missouri Gaming Commission (the “Commission”) during years in which licensing fees or renewals are not collected (i.e., years two, three, and four).

Section 7 – This section describes appropriation for the fees collected by the Commission. Section 7(a) requires that the fees first be used to reimburse the Commission for their reasonable expenses incurred to regulate sports wagering with the remaining fees being deposited into the Compulsive Gambling Prevention Fund. This section raises the question of where the fee monies are being deposited in the first instance if the language requires reimbursement to the Commission. Currently, fees for licensees are deposited with the Missouri Gaming Commission Fund and appropriated accordingly after the Commission’s reasonable expenses have been satisfied. The process by which the Commission is reimbursed is not clear in the current petition, nor is it clear in general how the funds will be dispersed. The Commission suggests explicitly requiring fees to be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 9 – This section requires that licensees maintain in the state, or other location approved by the Commission and consistent with federal law, a computer server or servers used to receive transmissions of requests to place wagers and that transmit acceptance of those requests. Under current federal law, the servers would only be intrastate. The Commission is also aware of a potential conflict between the petition and Article III, Section 39 regarding the location of the servers within the state.

Section 11 – This section requires that a 10% tax be imposed upon the adjusted gross revenue received from sports wagering by each licensee, to be appropriated for elementary, secondary, and higher education, and to be paid after appropriations for the Commission’s reasonable expenses and contributions the Compulsive Gambling Prevention Fund until such fund has \$5,000,000. In years where the Commission does not collect renewal fees, licensing fees will be insufficient to meet the Commission’s reasonable expenses and would thus require the Commission to rely upon tax funds that would otherwise be appropriated to education in the state of Missouri. Section 11 also raises the question of what happens when the Compulsive Gambling Prevention Fund reaches \$5,000,000 and whether in subsequent years the Fund is required to be maintained at \$5,000,000.

Section 12 – This section requires that there will be the Compulsive Gambling Prevention Fund created in the state treasury which shall consist of the taxes and fees collected pursuant to the petition. The section is not clear if the Compulsive Gambling Prevention Fund shall contain only the funds specifically directed to the Fund, up to \$5,000,000, or if

the entirety of fees and taxes will be deposited into this fund in the first instance for later reimbursement and appropriation. This concern mirrors the notes related to Section 7.

Section 13(a) – This section states that the definition of adjusted gross revenue (as related to the wagering tax of 10% imposed in Section 11) is the total of all cash or cash equivalents received by a licensee from sports wagering minus (1) all cash and cash equivalents paid out as winnings to patrons, (2) the actual costs paid by a licensee for anything of value provided to and redeemed by patrons, including merchandise or services distributed to sports wagering patrons to incentivize sports wagering, (3) voided or cancelled wagers, (4) the costs of free play or promotional credits provided to and redeemed by the applicable licensee's patrons, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month, (5) any sums paid as a result of any federal tax, including federal excise tax, and (6) uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering patrons. Section 13(a) also states in (7) that if the amount of adjusted gross receipts in a calendar month is a negative figure, the certificate holder shall remit no sports wagering tax for that calendar month and any negative receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

1. There is a question as to Section 13(a)(4) as to whether the twenty-five percent figure is related to gross amounts or gross amounts less any winnings paid out to patrons.
2. There is a question as to Section 13(a)(5) as to whether "any federal tax" includes taxes from any jurisdiction or just federal taxes imposed from business in the State of Missouri.
3. Section 13(a)(7) appears as if it needs to be its own separate section independent from Sections 13(a)(1) through (6), as it does not define or identify deductions from gross revenue. Section 13(a)(7) also includes the term "certificate holder," which is not defined in the petition, nor is it used elsewhere.
4. There is also a question as to whether the totality of the deductions identified in Sections 13(a)(1) through (6) will result in sports wagering licensees showing negative adjusted gross revenues and therefore paying no sports wagering tax. This would in turn impact the ability of the Commission to meet its reasonable expenses as well as limit or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri. Additionally, the carryover provisions in Section 13(a)(7) would further impact the ability of the Commission to meet its reasonable expenses and further impact or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri.

They also provided the following information.

Initiative Petition 24-137
Sports Wagering Summary Financial Summary Sheet

	1st Year	2nd Year	3rd Year	4th Year	5th Year
Tax Revenue Estimate	\$ 6,351,495.47	\$ 17,977,671.98	\$ 24,565,838.80	\$ 26,653,935.10	\$ 28,919,519.62
Fee Revenue Estimate	\$ 5,750,000.00	\$ -	\$ -	\$ -	\$ 5,750,000.00
Salary Expense Estimates	\$ (1,786,582.84)	\$ (1,728,307.54)	\$ (1,728,307.54)	\$ (1,728,307.54)	\$ (1,728,307.54)
E&E Expense Estimates	\$ (2,182,431.33)	\$ (2,182,431.33)	\$ (2,182,431.33)	\$ (2,182,431.33)	\$ (2,182,431.33)
Remaining Balance	\$ 8,132,481.30	\$ 14,066,933.11	\$ 20,655,099.94	\$ 22,743,196.23	\$ 30,758,780.75
To Compulsive Gambling	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00
To Education	\$ 3,132,481.30	\$ 9,066,933.11	\$ 15,655,099.94	\$ 17,743,196.23	\$ 25,758,780.75

Explanation:

Revenue minus Expense equals Remaining Balance. The first \$5M of the Remaining Balance go to the Compulsive Gaming Fund. The remaining funds go to institutions of elementary, secondary, and higher education.

The above summary assumes that all funds deposited to the Compulsive Gambling Fund are spent each year. While this is unlikely, we are unable to determine how much of the funds will be spent because the rules regarding the Compulsive Gambling Fund expenditures will need to be written.

Estimate of Missouri's Sports Betting Revenue based on Indiana's Sports Betting Experience

Indiana Sports Betting Total Adjusted Gross Receipts From Regulated Sports Betting, First Three Full Years of Operation

	Retail Gross Receipts	Online Gross Receipts	Total Gross Receipts	Excise Tax of .25% ***	Promotional Wagering est. 25% ****	Grand Total (Total minus Excise Tax and Promotional Wagering)
Year 1 (2020)*	\$ 36,450,058	\$ 48,519,781	\$ 84,969,839	\$ 212,425	\$ 21,242,460	\$ 63,514,955
Year 2 (2021)	\$ 48,766,484	\$ 191,737,489	\$ 240,503,973	\$ 601,260	\$ 60,125,993	\$ 179,776,720
Year 3 (2022)	\$ 40,292,892	\$ 288,347,092	\$ 328,639,984	\$ 821,600	\$ 82,159,996	\$ 245,658,388
Year 4 (2023)**	\$ 43,717,788	\$ 312,856,595	\$ 356,574,383	\$ 891,436	\$ 89,143,596	\$ 266,539,351
Year 5 (2024)**	\$ 47,433,800	\$ 339,449,406	\$ 386,883,206	\$ 967,208	\$ 96,720,801	\$ 289,195,196

Annualized Indiana Data for 2020 (Revenue/10 months) x 12 months

Retail	\$ 30,375,048	\$ 36,450,058
Online	\$ 48,766,484	\$ 58,519,781

* Indiana only had sports betting for 10 months of 2020. Therefore, the 2020 figures have been annualized. Adjusted gross receipts were obtained from Indiana Gaming Commission's 2022 Annual Report (see link below). Indiana's adjusted gross receipts includes a 2% deduction for estimated voided or cancelled wagers and uncollectible receivables, similar to what is done in Missouri.

<https://www.in.gov/igc/files/FY2022-Annual.pdf>

NOTE: Indiana was chosen for comparison due to their similar population, number of casinos, geographical proximity and other demographics (see Census link below).

<https://www.census.gov/quickfacts/fact/table/MO,IN,US/HSG445220>

** Per a study completed by Eilers & Krejciek for the state of Indiana, forecasts reflect a baseline maturity state at Year 3, and they estimated an 8.5% growth for Year 4 and 5.

<https://www.in.gov/igc/files/Indiana-SportsBettingReport-Final-Oct18-1.pdf>

*** Section 39(g) 13. a. (5) of the proposed petition states that a licensee can deduct "any sums paid as a result of ANY federal tax, including federal excise tax." We are unable to discern what is included in "any federal tax", however we have used the federal excise tax (.25%) in our calculation.

**** Section 39(g) 13. a. (4) of the proposed petition states that a licensee can deduct "twenty-five percent of the total of all cash and cash equivalents received" for the costs of free play or promotional credits. However, our data is from Indiana and they do not allow for such deductions. Although we are unable to determine how much of a deduction a licensee would take, we have applied the 25% to the adjusted gross receipts.

Fee Calculations

Revenue Streams¹	Number of Applicants or Holders of Sports Wagering	Fee Amount	1st Year	2nd Year	3rd Year	4th Year	5th Year
Retail License - Boats	13	\$ 250,000.00	\$ 3,250,000.00	\$ -	\$ -	\$ -	\$ 3,250,000.00
Retail License - Professional Teams	6	\$ 250,000.00	\$ 1,500,000.00	\$ -	\$ -	\$ -	\$ 1,500,000.00
Mobile License - Mobile Operators	2	\$ 500,000.00	\$ 1,000,000.00	\$ -	\$ -	\$ -	\$ 1,000,000.00
TOTAL FEES COLLECTED²			\$ 5,750,000.00	\$ -	\$ -	\$ -	\$ 5,750,000.00

¹ Total Fees Collected are estimates only and are based on the assumption that all casinos and sportbook providers are being approved and licensed at the same time.

Sports Wagering

Salary Calculations

Position Title	# of FTE	Annual Salary	Annual Fringes (36.48% plus \$15,586)	IT Equipment (one time)	IT Equipment (ongoing)	Desk (one time)	Chair (one time)	File Cabinet (one time)	Calculator (one time)	Office Supplies (ongoing)	Voice/Data Wiring (one time)	Voice/Data (ongoing)	Annual Travel Expenses Related to Job Performance (ongoing)	TOTAL	Second Year and Ongoing
Senior Applications Developer	1	\$ 73,692.34	\$ 40,317.34	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 129,524.06	\$ 125,639.04
Program Coordinator (Sports Wagering)	1	\$ 83,463.34	\$ 43,596.51	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 142,574.23	\$ 138,689.21
Program Coordinator (Responsible Gaming)	1	\$ 83,463.34	\$ 43,596.51	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 142,574.23	\$ 138,689.21
Legal Counsel	1	\$ 91,279.30	\$ 46,219.57	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 153,013.25	\$ 149,128.23
Cybersecurity Specialist	1	\$ 83,463.34	\$ 43,596.51	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 142,574.23	\$ 138,689.21
Financial Analyst	1	\$ 77,608.41	\$ 41,631.58	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 134,754.37	\$ 130,869.35
Electronic Gaming Device Specialist	1	\$ 63,020.00	\$ 36,735.67	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 115,270.05	\$ 111,385.03
Electronic Gaming Device Specialist	1	\$ 63,020.00	\$ 36,735.67	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 115,270.05	\$ 111,385.03
Administrative Support Assistant	1	\$ 44,258.29	\$ 30,439.20	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 90,211.87	\$ 86,326.85
Administrative Support Assistant	1	\$ 44,258.29	\$ 30,439.20	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 90,211.87	\$ 86,326.85
Administrative Support Professional (Licensing)	1	\$ 50,416.10	\$ 32,505.77	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 98,436.26	\$ 94,551.24
Administrative Support Professional (Admin)	1	\$ 52,985.77	\$ 33,368.16	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 101,868.31	\$ 97,983.29
Regulatory Auditor (Policy)	1	\$ 59,149.06	\$ 35,436.58	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 110,100.02	\$ 106,215.00
Cybersecurity Analyst	1	\$ 59,149.06	\$ 35,436.58	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 110,100.02	\$ 106,215.00
Cybersecurity Analyst	1	\$ 59,149.06	\$ 35,436.58	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 110,100.02	\$ 106,215.00
TOTAL	15	\$ 988,375.71	\$ 565,491.43	\$ 24,690.30	\$ 6,170.40	\$ 9,015.00	\$ 10,785.00	\$ 8,985.00	\$ 300.00	\$ 5,580.00	\$ 4,500.00	\$ 6,300.00	\$ 156,390.00	\$ 1,786,582.84	\$ 1,728,307.54
Add additional MGC expense (from Sports Wagering Cost tab):														\$ 2,182,431.33	\$ 2,182,431.33
Total estimated annual cost to MGC:														\$ 3,969,014.17	\$ 3,910,738.87

SPORTS WAGERING COST

17 Sports Gaming Employees / 222
Current + Sports Gaming Employees =

7.7%

Ratio of Sports
Gaming to Total
Employees

	FY23 Total MGC Expenses	FY23 Ratio of Sports Gaming to Total Employees (7.7%)
Salaries	\$13,935,002.20	\$1,067,094.76
Fringe	\$10,622,003.38	\$813,396.66
Travel In-State	\$49,796.31	\$3,813.23
Travel Out-State	\$54,147.98	\$4,146.47
Supplies	\$48,699.60	\$3,729.25
Professional Development	\$40,553.53	\$3,105.45
Communication Serv & Supplies	\$229,976.66	\$17,610.83
Professional Services	\$197,742.30	\$15,142.43
Maintenance & Repair Services	\$272,326.50	\$20,853.83
Computer Equipment	\$128,017.34	\$9,803.13
Office Equipment	\$599.99	\$45.95
Property and Improvements	\$8,200.00	\$627.93
Building Lease Payments	\$540,464.53	\$41,386.92
Equipment Rental & Leases	\$1,806.50	\$138.34
Miscellaneous Expenses	\$4,294.87	\$328.89
Attorney General Salaries	\$68,650.26	\$5,257.00
Attorney General Expense & Equipment	\$16,942.88	\$1,297.43
Real Estate PS - Other	\$741.00	\$56.74
MSHP Vehicle Maintenance	\$419,842.62	\$32,150.11
MSHP Gasoline	\$648,515.18	\$49,661.07
MSHP Administration	\$8,229.67	\$630.20
MSHP Academy PS	\$90,528.42	\$6,932.36
MSHP Academy E&E	\$35,947.54	\$2,752.74
MSHP Admin PS	\$38,525.32	\$2,950.14
MSHP Vehicle Replacement	\$504,420.00	\$38,626.76
MOVERS Cost Allocation	\$137,908.00	\$10,560.52
Cost Allocation Plan	\$396,103.00	\$30,332.21
TOTAL	\$28,499,985.58	\$2,182,431.33

The approximate \$2.1M represents the current MGC and MSHP Gaming Division staff and expenses. The fees received from sports wagering licensing would cover the expenses related to sports wagering regulation for years 1 and 5. However, since no licensing fees would likely be received in years 2, 3, and 4, the expenses related to sports wagering regulation would need to come from tax collected per Section 39(g) 11. a. of the petition.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, and State Technical College of Missouri.**

Fiscal Note Summary

State governmental entities estimate one-time costs of \$326,000, ongoing costs of \$4.4 million annually, initial license fee revenue of \$5.75 million, and ongoing annual tax revenue ranging from \$6.4 million to \$26.7 million by the fourth year of implementation. Local governments estimate unknown revenue.



RECEIVED

SEP 11 2023

STATE AUDITORS OFFICE

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

September 11, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article III, version 2 (2024-136)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on September 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

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#15764770
B. Ashcroft

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

c. The Commission shall issue not more than three mobile licenses to operate sports wagering in this state directly to qualified applicants that are sports wagering operators. Each sports wagering operator shall only be eligible for one mobile license. If there are more than three qualified applicants for a mobile license to be issued by the Commission directly to a sports wagering operator under this section, the Commission shall select the applicant based on the applicant's demonstrable history of generating tax revenue as a licensed sports wagering operator in at least ten comparable jurisdictions as of November 5, 2024.

4. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control.

5. Retail and mobile license applicants shall be required to pay a license fee.

a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.

b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.

7. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:

a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and

b. to the extent all reasonable expenses incurred by the Commission have been reimbursed, the remaining fees shall be deposited in the Compulsive Gambling Prevention Fund.

8. No licensee shall offer sports wagering to individuals in this state who are under twenty-one years of age.

9. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.

10. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall promulgate reasonable rules including, but not limited to:

a. standards governing the security and integrity of sports wagering, including requiring the use of official league data from each applicable sports governing body headquartered in the United States to determine the outcome of in-play wagers on a professional athlete or sporting event if made available to licensees on commercially reasonable terms;

b. requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;

c. prohibiting all sports wagering activity, including sports wagering promotional and advertising activity, within a sports district, unless approved by the professional sports team that plays its home games within the district, except such rules shall not prohibit any licensee from offering sports wagering through an online sports wagering platform to persons physically located within a sports district;

d. requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;

e. standards for the use and distribution of monies from the Compulsive Gambling Prevention Fund to include, but not be limited to research, detection, and prevention of compulsive gambling in this state and the implementation of treatment and recovery programs or services related to compulsive gambling in this state;

f. establishing fines, placing licensees on probation, and revoking licenses for violations of this section; and

g. establishing a start date for all sports wagering that is not later than December 31, 2025. No sports wagering shall be offered in the state before such start date established by the Commission.

11. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports

wagering conducted by each licensee and each sports wagering operator acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in the state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(i) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(ii) to the Compulsive Gambling Prevention Fund until the Compulsive Gambling Prevention Fund has \$5,000,000 in total assets.

c. Such revenues shall not be included within the definition of "total state revenues" in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

12. There is hereby created in the state treasury the "Compulsive Gambling Prevention Fund", which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall stand appropriated without further legislative action.

13. As used in this section the following terms shall mean:

a. "Adjusted gross revenue," the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

(1) All cash and cash equivalents paid out as winnings to sports wagering patrons;

(2) The actual costs paid by a licensee for anything of value provided to and redeemed by patrons, including merchandise or services distributed to sports wagering patrons to incentivize sports wagering;

(3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee's patrons, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering patrons.

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the certificate holder shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. "Commission," means the Missouri Gaming Commission;

c. "Excursion gambling boat" means an excursion gambling boat or floating facility as described in Article III, Section 39(e);

d. "License" means any retail license or mobile license.

e. “Licensee” means the holder of any license.

f. “Mobile license” means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. “Online sports wagering platform” means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate online sports wagering.

h. “Professional sports team” means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women’s National Basketball Association, or the National Women’s Soccer League.

i. “Retail license” means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. “Sports district,” means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. “Sports wagering,” means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events. Sports wagering shall not include a fantasy sports contest comprising multiple participants, not including a fantasy sports contest operator, in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. Sports wagering shall not include wagering on youth or high school events or wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant.

l. “Sports wagering operator,” means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

14. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

15. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-136)**

Subject

Initiative petition from Alixandra Cossette regarding a proposed constitutional amendment to Article III. (Received September 11, 2023)

Date

September 29, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **State Auditor's office**, and the **Missouri Gaming Commission**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-136 and determined there is no measurable impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated there will be a fiscal impact for their department, but they are deferring to the Gaming Commission's revenue estimates.

Officials from the **Department of Health and Senior Services** indicated this initiative petition is a no impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health (DMH)** indicated this petition would modify Article III, Section 39(g) of the Missouri Constitution legalizing sports wagering in Missouri. Implementation of the initiative petition may result in increased demand for DMH services due to increased access to gambling opportunities but does not appear to mandate any individual to receive treatment which will remain voluntary.

The initiative petition does not appear to create an additional fiscal impact to DMH unless the number of consumers increases and requires additional services to be provided by DMH.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition proposing to amend Article III, version 2.

Officials from the **Department of Revenue** indicated after thorough review, the Department's response to this initiative petition:

IP 24-136 attempts to create a sports wagering program in the state of Missouri. For Sections 39(g)1- Section 39(g)4 the Department of Revenue (DOR) defers to the Missouri Gaming Commission for impact.

Section 39(g)5 requires retail and mobile license applicants to pay license fees. The amount of the fees are to be set by "the Commission". It is unclear the amount of fee that will be assessed or what criteria to use to set the fee.

Additionally, Section 39(g)5 says the fees will be "collected by the state". However, it does not indicate which Department or Commission will receive the fees for deposit. Additionally, it does not indicate which fund the fees are to be deposited into while waiting on the appropriation authority to make the transfers to the designated programs outlined in this proposal. DOR cannot collect or deposit revenue without constitutional or statutory authority and cannot transfer funds to a program without appropriation transfer authority.

DOR is unable to calculate the amount of the potential fees collected without knowing the number of eligible entities to receive the retail license or the amount of the fee set. DOR notes it cannot collect the fees the way the proposal is currently written.

DOR notes this proposal does not have a Section 39(g)6. It goes from Section 39(g)5 to Section 39(g)7.

Section 39(g)11 imposes a 10% wagering tax on the adjusted gross revenue of the licensee. Once again this proposal does not designate to whom the tax is to be paid. Additionally, it does not indicate how often the tax is to be remitted. It also fails to indicate where the tax is to be deposited while it is awaiting transfer to designated activities outlined in this proposal. DOR cannot collect or deposit revenue without constitutional or statutory authority and cannot transfer funds to a program without appropriation transfer authority.

For informational purposes, DOR notes that excursion gambling boats currently remit their gambling taxes they collect nightly. Should DOR be given responsibility for the collection of this sports wagering tax they would need to set up a computer system similar to the existing gambling tax system. DOR would need \$100,415 (\$95 per hour * 1,057 hours work) for creation of the new computer sports wagering tax system. Their department would also need 1 ACSR with an annual salary of \$36,628 to process payments and reports, and they will need regulatory authority to implement and to impose rules for the collection of any non-filed or late taxes.

DOR is unable to calculate the amount of the potential tax collected without knowing the number of eligible licensees. DOR defers to the MO Gaming Commission for the estimate of potential tax collected.

Comments

Sports districts may include more than intended.

Section 13(j) explains that "sports district" includes any Missouri stadium with a capacity over 11,500 that operates as home for one or more "professional sports team". It also extends to the surrounding area within 400 yards of such premises.

Section 13(h) which defines "professional sports team" includes both Major League Soccer (MLS) and National Women's Soccer League (NWSL).

CITYPARK, which is home to the MLS team the St. Louis City SC is in downtown St. Louis. The 400 yard extension will potentially cover multiple streets with private retail and residential locations.

Soon the planned KC Current Stadium, home to the NWSL team the Kansas City Current will also be located in close proximity to private locations. Built within the Berkley Riverfront Park, the stadium will also be next to a public park.

Promotional and advertising activity may include more than intended.

While not defined, the "promotional and advertising activity" prohibited could include lawful commercial speech. This could trigger first amendment issues as it regulates lawful commercial advertisements that are not misleading nor deceptive. Based on the four-part test of Central Hudson, this restriction could face problems as advertisements are allowed within the area if approved by the professional sports team that plays in the district. Part 2 of the test asks if the government has a substantial interest in the restriction and part 3 asks if the restriction directly and materially advances the interest. It will be difficult to advance an interest that allows certain wagering advertisements and not others. Further, under Section 10(c) the sport teams themselves approve the messages, therefore the government has no oversight on what is approved or rejected. Also, certain government policies utilizing an unrestricted discretionary approval process have been found to be unconstitutional restrictions on speech.

Further, as it regulates only sports wagering it is a content-based restriction, and it could be suggested that as it only restricts the promotion or advertising of sports wagering and not anything related to advocating against sports wagering, it is a viewpoint-based restriction. This could increase the scrutiny the restriction would have to overcome past that of normal commercial speech regulations.

Finally, the restriction, depending on the government interest, may not be reasonable as the amendment includes the Compulsive Gambling Prevention Fund ("fund") discussed in 7(b) and 10(e). This would hinder part four of the test which asks if the restriction is no more restrictive than necessary. The fund could be seen as enough to satisfy the governmental interest. Section 10(d) could also be used to satisfy the interest as it prohibits certain

advertisements and promotions including misleading advertisements and marketing directed to minors.

Compulsive Gambling Prevention Fund

This proposal in Section 39(g)12 creates the Compulsive Gambling Prevention Fund which says it is to receive the "taxes and fees collected under this section". However, in Section 39(g)11 it caps the amount the Fund can receive at \$5 million. Therefore it is possible that Fund could not receive additional revenue coming into the state in one year and no other fund is designated to hold the revenue. Additionally, this Fund is not given responsibility for transferring to the other designated programs listed in the proposal.

Officials from the **Department of Public Safety - Office of the Director** indicated there is no impact for their department, Director's Office.

The Missouri State Highway Patrol will have an impact.

Response from the Missouri State Highway Patrol:

The Missouri State Highway Patrol anticipates the need for two (2) additional full-time employees (FTE) to conduct background investigations and the subsequent renewals for sports wagering vendors. Expenses related to the two (2) FTE would be paid for from the Gaming Fund (0286). These one-time and ongoing expenses would include salary, fringe, vehicles, gasoline, and related equipment. The Patrol's response below would be applicable for each of the initiative petitions.

Salary:

Position Title: Sergeant (V07005)
Annual Salary: \$99,648
Total Cost for Salaries: \$199,296

Fringe:

Annual Cost per Position: \$85,637
Total Fringe Amount: \$171,275

Expense & Equipment:

Initial Costs: \$167,110
Ongoing Costs: \$43,652

Total Cost for Salaries, Fringe, & Associated Equipment:

Initial Cost: \$537,681
Ongoing Costs: \$414,223

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to gambling does not directly finally impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-136 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission on initiative petition 24-136.

Officials from the **Office of Administration** indicated this proposal relating to gambling does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-136 a proposed constitutional amendment to Article III, version 2 (2024-136), there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions

certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-136 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no identifiable fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-136 proposing to amend Article III, version 2.

Officials from **St. Louis County** indicated this proposed constitutional amendment should have no fiscal impact to their county.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city unless a sports wagering operator paid the city a business license fee.

Officials from **Jennings School District** indicated this proposal, if passed, would generate additional revenue for school districts, including Jennings School District. An initial analysis indicated that more data is needed before an estimated amount can be calculated.

Officials from **Wellsville-Middletown R-1 School District** indicated it is unknown of the estimated cost or savings this measure would have.

Officials from **Metropolitan Community College** indicated will have a fiscal impact to their college. Unknown what that impact will be due to unknown revenue and expenses generated.

Officials from **University of Missouri** indicated the University of Missouri System does not expect cost to exceed \$100,000.

Official from **St. Louis Community College** indicated they have reviewed the petition initiative and cannot quantify the revenue impact from such legislation if passed. Of particular concern is that there is no basis in the initiative for allocation to individual institutions. They presume this could be left to State agencies responsible for the allocation of revenue to institutions; however, that may be problematic since different agencies and legislative processes may be involved in the allocation of funds.

Officials from the **State Auditor's office** (SAO) indicated there would be a fiscal impact on the SAO. They believe this would create the need for a stand-alone performance audit consisting of 500 hours. 500 hours multiplied by \$90.00 per hour (current average audit cost per staff hour) equals a \$45,000 impact.

Officials from the **Missouri Gaming Commission** (MGC) indicated:

This proposal will affect the Missouri State Highway Patrol, Missouri Dept. of Revenue, Missouri Dept. of Mental Health, Home Dock Cities/Counties, "sports districts" located in St. Louis and Kansas City, as that term is defined in the proposal.

It may have an impact on local jurisdictions and businesses surrounding and in close proximity to the "sports districts" located in St. Louis and Kansas City areas, as that term is defined in the proposal.

The MGC anticipates licensees to pay license fees and renewal fees to the MGC in order to regulate and manage sports wagering in Missouri. It also imposes certain taxes be paid by licensees based on their adjusted gross revenue.

If this initiative petition passes, the Missouri Gaming Commission (MGC) estimates needing fifteen new FTE positions, which would result in an initial cost to the MGC of \$1,786,582.86 (including salary, fringe, supplies, equipment, and travel/lodging related to job performance of those additional employees), in addition to approximately \$2,182,431.33, which represents 7.7% of the MGC existing budget each year (to cover the costs of MGC and MSHP Gaming Division staff plus expenses needed to license and regulate sports wagering) for a total initial cost of \$3,969,014.17. Additional costs included in this estimate may also encompass those associated with the development and implementation of responsible gambling programs. The total annual ongoing personnel cost, after the first year, is estimated to be \$3,910,738.87.

The MGC and the Missouri State Highway Patrol (MSHP) currently have a Memorandum of Understanding (MOU) in place which states that the MSHP will provide background and criminal and regulatory investigation and enforcement support to the MGC to assist it in carrying out its duties, which results in these additional costs.

The MGC estimates a total of 19 applicants for retail sports wagering licenses, to include the 13 current excursion gambling boats, plus 6 "sports districts" located in St. Louis and Kansas City areas, as that term is defined in the proposal. Initiative 24-136, Article III, Section 39(g).3, c, allows only 3 mobile licenses to sports wagering operators which would

require the excursion gambling boats and sports districts or their designated sports wagering operator to utilize one of the 3 mobile licenses.

Based on the number of sports wagering licenses, the MGC estimates collection of fees approximately \$6.250 million the first year and every fifth year of operation. Pursuant to Section 39(g).7 the fees would be utilized for reimbursement of expenses incurred by the MGC to regulate sports wagering. Any remaining fees will be deposited into the Compulsive Gambling Prevention Fund. Pursuant to Section 39(g).11 a wagering tax of 10% is imposed based on adjusted gross revenue. Annual revenues will be appropriated to elementary, secondary and higher education only after the annual tax revenues are used to reimburse expenses incurred by MGC and to fund the Compulsive Gambling Prevention Fund until it has \$5,000,000 in total assets.

In calculating tax revenue estimates, the Missouri Gaming Commission used the sports wagering data from a comparable state, Indiana, due to it having similar population, number of casinos, geographical proximity and other demographics as Missouri. Indiana's total adjusted receipts from sports wagering, which includes both retail (in-person) and online, was \$84,969,839 for 2020, \$240,503,973 for 2021, and \$328,639,984 for 2022. Assuming that the total adjusted gross revenue for sports wagering in Missouri will be comparable to that of Indiana, the Gaming Commission estimates that total adjusted gross revenue for sports wagering in Missouri will be \$63,514,955 for the first year, \$179,776,720 for the second year, \$245,658,388 for the third year, and \$266,539,351 for the fourth year (fourth year estimate is based on 8.5% growth from the previous year per a study completed by Eilers & Krejcik). In determining the aforementioned estimates, a .25% deduction for excise tax and a 25% deduction for promotional wagering were made to Missouri's total adjusted gross revenue from sports wagering due to the initiative's definition of adjusted gross revenue including such deductions for sports wagering, whereas Indiana's definition does not. In addition, the term of adjusted gross revenue includes deducting voided or cancelled wagers, uncollectible receivables, and actual costs for anything of value provided to the patron, but such deduction was not made in determining the aforementioned tax revenue estimates, because Indiana's adjusted gross receipts already include a 2% deduction for such, which the Missouri Gaming Commission estimates will be a similar amount in Missouri. Thus, using the total adjusted gross revenue for sports wagering in Missouri estimates, the Missouri Gaming Commission estimates that the revenue from the Gaming Tax (10% of Adjusted Gross Receipts) on sports wagering will be \$6,351,495.47 for the first year, \$17,977,671.98 for the second year, \$24,565,838.80 for the third year, and \$26,653,935.10 for the fourth year.

Based on the licensing and renewal fees for sports wagering applicants and the taxes on the adjusted gross revenue the total amount of fees and taxes collected may be sufficient to cover the Missouri Gaming Commission's costs to license and regulate sports wagering, however, that is dependent on the total amount of deductions applied to the adjusted gross revenue.

Technical Notes:

Section 5(a) and 5(b) – These sections specify the fees for both (a) retail and (b) mobile licenses. Retail license applicants shall be required to pay a license fee of \$250,000 with a license renewal fee of \$250,000 every five (5) years. Mobile license applicants shall be required to pay a license fee of \$500,000 with a license renewal fee of \$500,000 every five (5) years. To the extent that other language in the petition proscribes allocation of the fees, there is concern that the licensing fees will not cover the expenses of the Missouri Gaming Commission (the “Commission”) during years in which licensing fees or renewals are not collected (i.e., years two, three, and four).

Section 7 – This section describes appropriation for the fees collected by the Commission. Section 7(a) requires that the fees first be used to reimburse the Commission for their reasonable expenses incurred to regulate sports wagering with the remaining fees being deposited into the Compulsive Gambling Prevention Fund. This section raises the question of where the fee monies are being deposited in the first instance if the language requires reimbursement to the Commission. Currently, fees for licensees are deposited with the Missouri Gaming Commission Fund and appropriated accordingly after the Commission’s reasonable expenses have been satisfied. The process by which the Commission is reimbursed is not clear in the current petition, nor is it clear in general how the funds will be dispersed. The Commission suggests explicitly requiring fees to be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 9 – This section requires that licensees maintain in the state, or other location approved by the Commission and consistent with federal law, a computer server or servers used to receive transmissions of requests to place wagers and that transmit acceptance of those requests. Under current federal law, the servers would only be intrastate. The Commission is also aware of a potential conflict between the petition and Article III, Section 39 regarding the location of the servers within the state.

Section 11 – This section requires that a 10% tax be imposed upon the adjusted gross revenue received from sports wagering by each licensee, to be appropriated for elementary, secondary, and higher education, and to be paid after appropriations for the Commission’s reasonable expenses and contributions the Compulsive Gambling Prevention Fund until such fund has \$5,000,000. In years where the Commission does not collect renewal fees, licensing fees will be insufficient to meet the Commission’s reasonable expenses and would thus require the Commission to rely upon tax funds that would otherwise be appropriated to education in the state of Missouri. Section 11 also raises the question of what happens when the Compulsive Gambling Prevention Fund reaches \$5,000,000 and whether in subsequent years the Fund is required to be maintained at \$5,000,000.

Section 12 – This section requires that there will be the Compulsive Gambling Prevention Fund created in the state treasury which shall consist of the taxes and fees collected pursuant to the petition. The section is not clear if the Compulsive Gambling Prevention Fund shall contain only the funds specifically directed to the Fund, up to \$5,000,000, or if

the entirety of fees and taxes will be deposited into this fund in the first instance for later reimbursement and appropriation. This concern mirrors the notes related to Section 7.

Section 13(a) – This section states that the definition of adjusted gross revenue (as related to the wagering tax of 10% imposed in Section 11) is the total of all cash or cash equivalents received by a licensee from sports wagering minus (1) all cash and cash equivalents paid out as winnings to patrons, (2) the actual costs paid by a licensee for anything of value provided to and redeemed by patrons, including merchandise or services distributed to sports wagering patrons to incentivize sports wagering, (3) voided or cancelled wagers, (4) the costs of free play or promotional credits provided to and redeemed by the applicable licensee's patrons, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month, (5) any sums paid as a result of any federal tax, including federal excise tax, and (6) uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering patrons. Section 13(a) also states in (7) that if the amount of adjusted gross receipts in a calendar month is a negative figure, the certificate holder shall remit no sports wagering tax for that calendar month and any negative receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

1. There is a question as to Section 13(a)(4) as to whether the twenty-five percent figure is related to gross amounts or gross amounts less any winnings paid out to patrons.
2. There is a question as to Section 13(a)(5) as to whether "any federal tax" includes taxes from any jurisdiction or just federal taxes imposed from business in the State of Missouri.
3. Section 13(a)(7) appears as if it needs to be its own separate section independent from Sections 13(a)(1) through (6), as it does not define or identify deductions from gross revenue. Section 13(a)(7) also includes the term "certificate holder," which is not defined in the petition, nor is it used elsewhere.
4. There is also a question as to whether the totality of the deductions identified in Sections 13(a)(1) through (6) will result in sports wagering licensees showing negative adjusted gross revenues and therefore paying no sports wagering tax. This would in turn impact the ability of the Commission to meet its reasonable expenses as well as limit or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri. Additionally, the carryover provisions in Section 13(a)(7) would further impact the ability of the Commission to meet its reasonable expenses and further impact or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri.

They also provided the following information.

Initiative Petition 24-136
Sports Wagering Summary Financial Summary Sheet

	1st Year	2nd Year	3rd Year	4th Year	5th Year
Tax Revenue Estimate	\$ 6,351,495.47	\$ 17,977,671.98	\$ 24,565,838.80	\$ 26,653,935.10	\$ 28,919,519.62
Fee Revenue Estimate	\$ 6,250,000.00	\$ -	\$ -	\$ -	\$ 6,250,000.00
Salary Expense Estimates	\$ (1,786,582.84)	\$ (1,728,307.54)	\$ (1,728,307.54)	\$ (1,728,307.54)	\$ (1,728,307.54)
E&E Expense Estimates	\$ (2,182,431.33)	\$ (2,182,431.33)	\$ (2,182,431.33)	\$ (2,182,431.33)	\$ (2,182,431.33)
Remaining Balance	\$ 8,632,481.30	\$ 14,066,933.11	\$ 20,655,099.94	\$ 22,743,196.23	\$ 31,258,780.75
To Compulsive Gambling	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00
To Education	\$ 3,632,481.30	\$ 9,066,933.11	\$ 15,655,099.94	\$ 17,743,196.23	\$ 26,258,780.75

Explanation:

Revenue minus Expense equals Remaining Balance. The first \$5M of the Remaining Balance go to the Compulsive Gaming Fund. The remaining funds go to institutions of elementary, secondary, and higher education.

The above summary assumes that all funds deposited to the Compulsive Gambling Fund are spent each year. While this is unlikely, we are unable to determine how much of the funds will be spent because the rules regarding the Compulsive Gambling Fund expenditures will need to be written.

Estimate of Missouri's Sports Betting Revenue based on Indiana's Sports Betting Experience

Indiana Sports Betting Total Adjusted Gross Receipts From Regulated Sports Betting, First Three Full Years of Operation

	Retail Gross Receipts	Online Gross Receipts	Total Gross Receipts	Excise Tax of .25% ***	Promotional Wagering est. 25% ****	Grand Total (Total minus Excise Tax and Promotional Wagering)
Year 1 (2020)*	\$ 36,450,058	\$ 48,519,781	\$ 84,969,839	\$ 212,425	\$ 21,242,460	\$ 63,514,955
Year 2 (2021)	\$ 48,766,484	\$ 191,737,489	\$ 240,503,973	\$ 601,260	\$ 60,125,993	\$ 179,776,720
Year 3 (2022)	\$ 40,292,892	\$ 288,347,092	\$ 328,639,984	\$ 821,600	\$ 82,159,996	\$ 245,658,388
Year 4 (2023)**	\$ 43,717,788	\$ 312,856,595	\$ 356,574,383	\$ 891,436	\$ 89,143,596	\$ 266,539,351
Year 5 (2024)**	\$ 47,433,800	\$ 339,449,406	\$ 386,883,206	\$ 967,208	\$ 96,720,801	\$ 289,195,196

Annualized Indiana Data for 2020 (Revenue/10 months) x 12 months

Retail	\$ 30,375,048	\$ 36,450,058
Online	\$ 48,766,484	\$ 58,519,781

* Indiana only had sports betting for 10 months of 2020. Therefore, the 2020 figures have been annualized. Adjusted gross receipts were obtained from Indiana Gaming Commission's 2022 Annual Report (see link below). Indiana's adjusted gross receipts includes a 2% deduction for estimated voided or cancelled wagers and uncollectible receivables, similar to what is done in Missouri.

<https://www.in.gov/igc/files/FY2022-Annual.pdf>

NOTE: Indiana was chosen for comparison due to their similar population, number of casinos, geographical proximity and other demographics (see Census link below).

<https://www.census.gov/quickfacts/fact/table/MO,IN,US/HSG445220>

** Per a study completed by Eilers & Krejciek for the state of Indiana, forecasts reflect a baseline maturity state at Year 3, and they estimated an 8.5% growth for Year 4 and 5.

<https://www.in.gov/igc/files/Indiana-SportsBettingReport-Final-Oct18-1.pdf>

*** Section 39(g) 13. a. (5) of the proposed petition states that a licensee can deduct "any sums paid as a result of ANY federal tax, including federal excise tax." We are unable to discern what is included in "any federal tax", however we have used the federal excise tax (.25%) in our calculation.

**** Section 39(g) 13. a. (4) of the proposed petition states that a licensee can deduct "twenty-five percent of the total of all cash and cash equivalents received" for the costs of free play or promotional credits. However, our data is from Indiana and they do not allow for such deductions. Although we are unable to determine how much of a deduction a licensee would take, we have applied the 25% to the adjusted gross receipts.

Fee Calculations

Revenue Streams¹	Number of Applicants or Holders of Sports Wagering	Fee Amount	1st Year	2nd Year	3rd Year	4th Year	5th Year
Retail License - Boats	13	\$ 250,000.00	\$ 3,250,000.00	\$ -	\$ -	\$ -	\$ 3,250,000.00
Retail License - Professional Teams	6	\$ 250,000.00	\$ 1,500,000.00	\$ -	\$ -	\$ -	\$ 1,500,000.00
Mobile License - Mobile Operators	3	\$ 500,000.00	\$ 1,500,000.00	\$ -	\$ -	\$ -	\$ 1,500,000.00
TOTAL FEES COLLECTED²			\$ 6,250,000.00	\$ -	\$ -	\$ -	\$ 6,250,000.00

¹ Total Fees Collected are estimates only and are based on the assumption that all casinos and sportbook providers are being approved and licensed at the same time.

Sports Wagering

Salary Calculations

Position Title	# of FTE	Annual Salary	Annual Fringes (36.48% plus \$15,586)	IT Equipment (one time)	IT Equipment (ongoing)	Desk (one time)	Chair (one time)	File Cabinet (one time)	Calculator (one time)	Office Supplies (ongoing)	Voice/Data Wiring (one time)	Voice/Data (ongoing)	Annual Travel Expenses Related to Job Performance (ongoing)	TOTAL	Second Year and Ongoing
Senior Applications Developer	1	\$ 73,692.34	\$ 40,317.34	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 129,524.06	\$ 125,639.04
Program Coordinator (Sports Wagering)	1	\$ 83,463.34	\$ 43,596.51	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 142,574.23	\$ 138,689.21
Program Coordinator (Responsible Gaming)	1	\$ 83,463.34	\$ 43,596.51	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 142,574.23	\$ 138,689.21
Legal Counsel	1	\$ 91,279.30	\$ 46,219.57	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 153,013.25	\$ 149,128.23
Cybersecurity Specialist	1	\$ 83,463.34	\$ 43,596.51	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 142,574.23	\$ 138,689.21
Financial Analyst	1	\$ 77,608.41	\$ 41,631.58	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 134,754.37	\$ 130,869.35
Electronic Gaming Device Specialist	1	\$ 63,020.00	\$ 36,735.67	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 115,270.05	\$ 111,385.03
Electronic Gaming Device Specialist	1	\$ 63,020.00	\$ 36,735.67	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 115,270.05	\$ 111,385.03
Administrative Support Assistant	1	\$ 44,258.29	\$ 30,439.20	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 90,211.87	\$ 86,326.85
Administrative Support Assistant	1	\$ 44,258.29	\$ 30,439.20	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 90,211.87	\$ 86,326.85
Administrative Support Professional (Licensing)	1	\$ 50,416.10	\$ 32,505.77	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 98,436.26	\$ 94,551.24
Administrative Support Professional (Admin)	1	\$ 52,985.77	\$ 33,368.16	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 101,868.31	\$ 97,983.29
Regulatory Auditor (Policy)	1	\$ 59,149.06	\$ 35,436.58	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 110,100.02	\$ 106,215.00
Cybersecurity Analyst	1	\$ 59,149.06	\$ 35,436.58	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 110,100.02	\$ 106,215.00
Cybersecurity Analyst	1	\$ 59,149.06	\$ 35,436.58	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 110,100.02	\$ 106,215.00
TOTAL	15	\$ 988,375.71	\$ 565,491.43	\$ 24,690.30	\$ 6,170.40	\$ 9,015.00	\$ 10,785.00	\$ 8,985.00	\$ 300.00	\$ 5,580.00	\$ 4,500.00	\$ 6,300.00	\$ 156,390.00	\$ 1,786,582.84	\$ 1,728,307.54
Add additional MGC expense (from Sports Wagering Cost tab):														\$ 2,182,431.33	\$ 2,182,431.33
Total estimated annual cost to MGC:														\$ 3,969,014.17	\$ 3,910,738.87

SPORTS WAGERING COST

17 Sports Gaming Employees / 222
Current + Sports Gaming Employees =

7.7%

Ratio of Sports
Gaming to Total
Employees

	FY23 Total MGC Expenses	FY23 Ratio of Sports Gaming to Total Employees (7.7%)
Salaries	\$13,935,002.20	\$1,067,094.76
Fringe	\$10,622,003.38	\$813,396.66
Travel In-State	\$49,796.31	\$3,813.23
Travel Out-State	\$54,147.98	\$4,146.47
Supplies	\$48,699.60	\$3,729.25
Professional Development	\$40,553.53	\$3,105.45
Communication Serv & Supplies	\$229,976.66	\$17,610.83
Professional Services	\$197,742.30	\$15,142.43
Maintenance & Repair Services	\$272,326.50	\$20,853.83
Computer Equipment	\$128,017.34	\$9,803.13
Office Equipment	\$599.99	\$45.95
Property and Improvements	\$8,200.00	\$627.93
Building Lease Payments	\$540,464.53	\$41,386.92
Equipment Rental & Leases	\$1,806.50	\$138.34
Miscellaneous Expenses	\$4,294.87	\$328.89
Attorney General Salaries	\$68,650.26	\$5,257.00
Attorney General Expense & Equipment	\$16,942.88	\$1,297.43
Real Estate PS - Other	\$741.00	\$56.74
MSHP Vehicle Maintenance	\$419,842.62	\$32,150.11
MSHP Gasoline	\$648,515.18	\$49,661.07
MSHP Administration	\$8,229.67	\$630.20
MSHP Academy PS	\$90,528.42	\$6,932.36
MSHP Academy E&E	\$35,947.54	\$2,752.74
MSHP Admin PS	\$38,525.32	\$2,950.14
MSHP Vehicle Replacement	\$504,420.00	\$38,626.76
MOVERS Cost Allocation	\$137,908.00	\$10,560.52
Cost Allocation Plan	\$396,103.00	\$30,332.21
TOTAL	\$28,499,985.58	\$2,182,431.33

The approximate \$2.1M represents the current MGC and MSHP Gaming Division staff and expenses. The fees received from sports wagering licensing would cover the expenses related to sports wagering regulation for years 1 and 5. However, since no licensing fees would likely be received in years 2, 3, and 4, the expenses related to sports wagering regulation would need to come from tax collected per Section 39(g) 11. a. of the petition.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, and State Technical College of Missouri.**

Fiscal Note Summary

State governmental entities estimate one-time costs of \$326,000, ongoing costs of \$4.4 million annually, initial license fee revenue of \$6.25 million, and ongoing annual tax revenue ranging from \$6.4 million to \$26.7 million by the fourth year of implementation. Local governments estimate unknown revenue.



RECEIVED

SEP 11 2023

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

STATE AUDITORS OFFICE
ELECTIONS DIVISION
(573) 751-2301

September 11, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article III, version 1 (2024-135)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on September 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

2023 SEP -8 PM 1:46
[Handwritten signature and stamp]

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license; on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

c. The Commission shall issue not more than four mobile licenses to operate sports wagering in this state directly to qualified applicants that are sports wagering operators. Each sports wagering operator shall only be eligible for one mobile license. If there are more than four qualified applicants for a mobile license to be issued by the Commission directly to a sports wagering operator under this section, the Commission shall select the applicant based on the applicant's demonstrable history of generating tax revenue as a licensed sports wagering operator in at least ten comparable jurisdictions as of November 5, 2024.

4. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control.

5. Retail and mobile license applicants shall be required to pay a license fee.

a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.

b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.

7. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:

a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and

b. to the extent all reasonable expenses incurred by the Commission have been reimbursed, the remaining fees shall be deposited in the Compulsive Gambling Prevention Fund.

8. No licensee shall offer sports wagering to individuals in this state who are under twenty-one years of age.

9. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.

10. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall promulgate reasonable rules including, but not limited to:

a. standards governing the security and integrity of sports wagering, including requiring the use of official league data from each applicable sports governing body headquartered in the United States to determine the outcome of in-play wagers on a professional athlete or sporting event if made available to licensees on commercially reasonable terms;

b. requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;

c. prohibiting all sports wagering activity, including sports wagering promotional and advertising activity, within a sports district, unless approved by the professional sports team that plays its home games within the district, except such rules shall not prohibit any licensee from offering sports wagering through an online sports wagering platform to persons physically located within a sports district;

d. requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;

e. standards for the use and distribution of monies from the Compulsive Gambling Prevention Fund to include, but not be limited to research, detection, and prevention of compulsive gambling in this state and the implementation of treatment and recovery programs or services related to compulsive gambling in this state;

f. establishing fines, placing licensees on probation, and revoking licenses for violations of this section; and

g. establishing a start date for all sports wagering that is not later than December 31, 2025. No sports wagering shall be offered in the state before such start date established by the Commission.

11. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports

wagering conducted by each licensee and each sports wagering operating acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in the state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(i) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(ii) to the Compulsive Gambling Prevention Fund until the Compulsive Gambling Prevention Fund has \$5,000,000 in total assets.

c. Such revenues shall not be included within the definition of “total state revenues” in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

12. There is hereby created in the state treasury the "Compulsive Gambling Prevention Fund", which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall stand appropriated without further legislative action.

13. As used in this section the following terms shall mean:

a. “Adjusted gross revenue,” the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

(1) All cash and cash equivalents paid out as winnings to sports wagering patrons;

(2) The actual costs paid by a licensee for anything of value provided to and redeemed by patrons, including merchandise or services distributed to sports wagering patrons to incentivize sports wagering;

(3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee’s patrons, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering patrons.

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the certificate holder shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. “Commission,” means the Missouri Gaming Commission;

c. “Excursion gambling boat” means an excursion gambling boat or floating facility as described in Article III, Section 39(e);

d. “License” means any retail license or mobile license.

e. “Licensee” means the holder of any license.

f. “Mobile license” means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. “Online sports wagering platform” means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate online sports wagering.

h. “Professional sports team” means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women’s National Basketball Association, or the National Women’s Soccer League.

i. “Retail license” means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. “Sports district,” means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. “Sports wagering,” means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events. Sports wagering shall not include a fantasy sports contest comprising multiple participants, not including a fantasy sports contest operator, in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. Sports wagering shall not include wagering on youth or high school events or wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant.

l. “Sports wagering operator,” means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

14. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

15. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-135)**

Subject

Initiative petition from Alixandra Cossette regarding a proposed constitutional amendment to Article III. (Received September 11, 2023)

Date

September 29, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **State Auditor's office**, and the **Missouri Gaming Commission**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-135 and determined there is no impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated there will be a fiscal impact for their department, but they are deferring to the Gaming Commission's revenue estimates.

Officials from the **Department of Health and Senior Services** indicated this initiative petition is a no impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health (DMH)** indicated this petition would modify Article III, Section 39(g) of the Missouri Constitution legalizing sports wagering in Missouri. Implementation of the initiative petition may result in increased demand for DMH services due to increased access to gambling opportunities but does not appear to mandate any individual to receive treatment which will remain voluntary.

The initiative petition does not appear to create an additional fiscal impact to DMH unless the number of consumers increases and requires additional services to be provided by DMH.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition proposing to amend Article III, version 1.

Officials from the **Department of Revenue** indicated after thorough review, the Department's response to this initiative petition:

IP 24-135 attempts to create a sports wagering program in the state of Missouri. For Sections 39(g)1- Section 39(g)4 the Department of Revenue (DOR) defers to the Missouri Gaming Commission for impact.

Section 39(g)5 requires retail and mobile license applicants to pay license fees. The amount of the fees are to be set by "the Commission". It is unclear the amount of fee that will be assessed or what criteria to use to set the fee.

Additionally, Section 39(g)5 says the fees will be "collected by the state". However, it does not indicate which Department or Commission will receive the fees for deposit. Additionally, it does not indicate which fund the fees are to be deposited into while waiting on the appropriation authority to make the transfers to the designated programs outlined in this proposal. DOR cannot collect or deposit revenue without constitutional or statutory authority and cannot transfer funds to a program without appropriation transfer authority.

DOR is unable to calculate the amount of the potential fees collected without knowing the number of eligible entities to receive the retail license or the amount of the fee set. DOR notes it cannot collect the fees the way the proposal is currently written.

DOR notes this proposal does not have a Section 39(g)6. It goes from Section 39(g)5 to Section 39(g)7.

Section 39(g)11 imposes a 10% wagering tax on the adjusted gross revenue of the licensee. Once again this proposal does not designate to whom the tax is to be paid. Additionally, it does not indicate how often the tax is to be remitted. It also fails to indicate where the tax is to be deposited while it is awaiting transfer to designated activities outlined in this proposal. DOR cannot collect or deposit revenue without constitutional or statutory authority and cannot transfer funds to a program without appropriation transfer authority.

For informational purposes, DOR notes that excursion gambling boats currently remit their gambling taxes they collect nightly. Should DOR be given responsibility for the collection of this sports wagering tax they would need to set up a computer system similar to the existing gambling tax system. DOR would need \$100,415 (\$95 per hour * 1,057 hours work) for creation of the new computer sports wagering tax system. Their department would also need 1 ACSR with an annual salary of \$36,628 to process payments and reports, and they will need regulatory authority to implement and to impose rules for the collection of any non-filed or late taxes.

DOR is unable to calculate the amount of the potential tax collected without knowing the number of eligible licensees. DOR defers to the MO Gaming Commission for the estimate of potential tax collected.

Comments

Sports districts may include more than intended.

Section 13(j) explains that "sports district" includes any Missouri stadium with a capacity over 11,500 that operates as home for one or more "professional sports team". It also extends to the surrounding area within 400 yards of such premises.

Section 13(h) which defines "professional sports team" includes both Major League Soccer (MLS) and National Women's Soccer League (NWSL).

CITYPARK, which is home to the MLS team the St. Louis City SC is in downtown St. Louis. The 400 yard extension will potentially cover multiple streets with private retail and residential locations.

Soon the planned KC Current Stadium, home to the NWSL team the Kansas City Current will also be located in close proximity to private locations. Built within the Berkley Riverfront Park, the stadium will also be next to a public park.

Promotional and advertising activity may include more than intended.

While not defined, the "promotional and advertising activity" prohibited could include lawful commercial speech. This could trigger first amendment issues as it regulates lawful commercial advertisements that are not misleading nor deceptive. Based on the four-part test of Central Hudson, this restriction could face problems as advertisements are allowed within the area if approved by the professional sports team that plays in the district. Part 2 of the test asks if the government has a substantial interest in the restriction and part 3 asks if the restriction directly and materially advances the interest. It will be difficult to advance an interest that allows certain wagering advertisements and not others. Further, under Section 10(c) the sport teams themselves approve the messages, therefore the government has no oversight on what is approved or rejected. Also, certain government policies utilizing an unrestricted discretionary approval process have been found to be unconstitutional restrictions on speech.

Further, as it regulates only sports wagering it is a content-based restriction, and it could be suggested that as it only restricts the promotion or advertising of sports wagering and not anything related to advocating against sports wagering, it is a viewpoint-based restriction. This could increase the scrutiny the restriction would have to overcome past that of normal commercial speech regulations.

Finally, the restriction, depending on the government interest, may not be reasonable as the amendment includes the Compulsive Gambling Prevention Fund ("fund") discussed in 7(b) and 10(e). This would hinder part four of the test which asks if the restriction is no more restrictive than necessary. The fund could be seen as enough to satisfy the governmental interest. Section 10(d) could also be used to satisfy the interest as it prohibits certain

advertisements and promotions including misleading advertisements and marketing directed to minors.

Compulsive Gambling Prevention Fund

This proposal in Section 39(g)12 creates the Compulsive Gambling Prevention Fund which says it is to receive the "taxes and fees collected under this section". However, in Section 39(g)11 it caps the amount the Fund can receive at \$5 million. Therefore it is possible that Fund could not receive additional revenue coming into the state in one year and no other fund is designated to hold the revenue. Additionally, this Fund is not given responsibility for transferring to the other designated programs listed in the proposal.

Officials from the **Department of Public Safety - Office of the Director** indicated there is no impact for their department, Director's Office.

The Missouri State Highway Patrol will have an impact.

Response from the Missouri State Highway Patrol:

The Missouri State Highway Patrol anticipates the need for two (2) additional full-time employees (FTE) to conduct background investigations and the subsequent renewals for sports wagering vendors. Expenses related to the two (2) FTE would be paid for from the Gaming Fund (0286). These one-time and ongoing expenses would include salary, fringe, vehicles, gasoline, and related equipment. The Patrol's response below would be applicable for each of the initiative petitions.

Salary:

Position Title: Sergeant (V07005)
Annual Salary: \$99,648
Total Cost for Salaries: \$199,296

Fringe:

Annual Cost per Position: \$85,637
Total Fringe Amount: \$171,275

Expense & Equipment:

Initial Costs: \$167,110
Ongoing Costs: \$43,652

Total Cost for Salaries, Fringe, & Associated Equipment:

Initial Cost: \$537,681
Ongoing Costs: \$414,223

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to gambling does not directly finally impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-135 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission on initiative petition 24-135.

Officials from the **Office of Administration** indicated this proposal relating to gambling does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-135 a proposed constitutional amendment to Article III, version 1 (2024-135), there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions

certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-135 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no identifiable fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-135 proposing to amend Article III, version 1.

Officials from **St. Louis County** indicated this proposed constitutional amendment should have no fiscal impact to their county.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city unless a sports wagering operator paid the city a business license fee.

Officials from **Jennings School District** indicated this proposal, if passed, would generate additional revenue for school districts, including Jennings School District. An initial analysis indicated that more data is needed before an estimated amount can be calculated.

Officials from **Wellsville-Middletown R-1 School District** indicated it is unknown of the estimated cost or savings this measure would have.

Officials from **Metropolitan Community College** indicated will have a fiscal impact to their college. Unknown what that impact will be due to unknown revenue and expenses generated.

Officials from **University of Missouri** indicated the University of Missouri System does not expect cost to exceed \$100,000.

Official from **St. Louis Community College** indicated they have reviewed the petition initiative and cannot quantify the revenue impact from such legislation if passed. Of particular concern is that there is no basis in the initiative for allocation to individual institutions. They presume this could be left to State agencies responsible for the allocation of revenue to institutions; however, that may be problematic since different agencies and legislative processes may be involved in the allocation of funds.

Officials from the **State Auditor's office** (SAO) indicated there would be a fiscal impact on the SAO. They believe this would create the need for a stand-alone performance audit consisting of 500 hours. 500 hours multiplied by \$90.00 per hour (current average audit cost per staff hour) equals a \$45,000 impact.

Officials from the **Missouri Gaming Commission** (MGC) indicated:

This proposal will affect the Missouri State Highway Patrol, Missouri Dept. of Revenue, Missouri Dept. of Mental Health, Home Dock Cities/Counties, "sports districts" located in St. Louis and Kansas City, as that term is defined in the proposal.

It may have an impact on local jurisdictions and businesses surrounding and in close proximity to the "sports districts" located in St. Louis and Kansas City areas, as that term is defined in the proposal.

The MGC anticipates licensees to pay license fees and renewal fees to the MGC in order to regulate and manage sports wagering in Missouri. It also imposes certain taxes be paid by licensees based on their adjusted gross revenue.

If this initiative petition passes, the Missouri Gaming Commission (MGC) estimates needing fifteen new FTE positions, which would result in an initial cost to the MGC of \$1,786,582.86 (including salary, fringe, supplies, equipment, and travel/lodging related to job performance of those additional employees), in addition to approximately \$2,182,431.33, which represents 7.7% of the MGC existing budget each year (to cover the costs of MGC and MSHP Gaming Division staff plus expenses needed to license and regulate sports wagering) for a total initial cost of \$3,969,014.17. Additional costs included in this estimate may also encompass those associated with the development and implementation of responsible gambling programs. The total annual ongoing personnel cost, after the first year, is estimated to be \$3,910,738.87.

The MGC and the Missouri State Highway Patrol (MSHP) currently have a Memorandum of Understanding (MOU) in place which states that the MSHP will provide background and criminal and regulatory investigation and enforcement support to the MGC to assist it in carrying out its duties, which results in these additional costs.

The MGC estimates a total of 19 applicants for retail sports wagering licenses, to include the 13 current excursion gambling boats, plus 6 "sports districts" located in St. Louis and Kansas City areas, as that term is defined in the proposal. Initiative 24-135, Article III, Section 39(g).3, c, allows only 4 mobile licenses to sports wagering operators which would

require the excursion gambling boats and sports districts or their designated sports wagering operator to utilize one of the 4 mobile licenses.

Based on the number of sports wagering licenses, the MGC estimates collection of fees approximately \$6.75 million the first year and every fifth year of operation. Pursuant to Section 39(g).7 the fees would be utilized for reimbursement of expenses incurred by the MGC to regulate sports wagering. Any remaining fees will be deposited into the Compulsive Gambling Prevention Fund. Pursuant to Section 39(g).11 a wagering tax of 10% is imposed based on adjusted gross revenue. Annual revenues will be appropriated to elementary, secondary and higher education only after the annual tax revenues are used to reimburse expenses incurred by MGC and to fund the Compulsive Gambling Prevention Fund until it has \$5,000,000 in total assets.

In calculating tax revenue estimates, the Missouri Gaming Commission used the sports wagering data from a comparable state, Indiana, due to it having similar population, number of casinos, geographical proximity and other demographics as Missouri. Indiana's total adjusted receipts from sports wagering, which includes both retail (in-person) and online, was \$84,969,839 for 2020, \$240,503,973 for 2021, and \$328,639,984 for 2022. Assuming that the total adjusted gross revenue for sports wagering in Missouri will be comparable to that of Indiana, the Gaming Commission estimates that total adjusted gross revenue for sports wagering in Missouri will be \$63,514,955 for the first year, \$179,776,720 for the second year, \$245,658,388 for the third year, and \$266,539,351 for the fourth year (fourth year estimate is based on 8.5% growth from the previous year per a study completed by Eilers & Krejcik). In determining the aforementioned estimates, a .25% deduction for excise tax and a 25% deduction for promotional wagering were made to Missouri's total adjusted gross revenue from sports wagering due to the initiative's definition of adjusted gross revenue including such deductions for sports wagering, whereas Indiana's definition does not. In addition, the term of adjusted gross revenue includes deducting voided or cancelled wagers, uncollectible receivables, and actual costs for anything of value provided to the patron, but such deduction was not made in determining the aforementioned tax revenue estimates, because Indiana's adjusted gross receipts already include a 2% deduction for such, which the Missouri Gaming Commission estimates will be a similar amount in Missouri. Thus, using the total adjusted gross revenue for sports wagering in Missouri estimates, the Missouri Gaming Commission estimates that the revenue from the Gaming Tax (10% of Adjusted Gross Receipts) on sports wagering will be \$6,351,495.47 for the first year, \$17,977,671.98 for the second year, \$24,565,838.80 for the third year, and \$26,653,935.10 for the fourth year.

Based on the licensing and renewal fees for sports wagering applicants and the taxes on the adjusted gross revenue the total amount of fees and taxes collected may be sufficient to cover the Missouri Gaming Commission's costs to license and regulate sports wagering, however, that is dependent on the total amount of deductions applied to the adjusted gross revenue.

Technical Notes:

Section 5(a) and 5(b) – These sections specify the fees for both (a) retail and (b) mobile licenses. Retail license applicants shall be required to pay a license fee of \$250,000 with a license renewal fee of \$250,000 every five (5) years. Mobile license applicants shall be required to pay a license fee of \$500,000 with a license renewal fee of \$500,000 every five (5) years. To the extent that other language in the petition proscribes allocation of the fees, there is concern that the licensing fees will not cover the expenses of the Missouri Gaming Commission (the “Commission”) during years in which licensing fees or renewals are not collected (i.e., years two, three, and four).

Section 7 – This section describes appropriation for the fees collected by the Commission. Section 7(a) requires that the fees first be used to reimburse the Commission for their reasonable expenses incurred to regulate sports wagering with the remaining fees being deposited into the Compulsive Gambling Prevention Fund. This section raises the question of where the fee monies are being deposited in the first instance if the language requires reimbursement to the Commission. Currently, fees for licensees are deposited with the Missouri Gaming Commission Fund and appropriated accordingly after the Commission’s reasonable expenses have been satisfied. The process by which the Commission is reimbursed is not clear in the current petition, nor is it clear in general how the funds will be dispersed. The Commission suggests explicitly requiring fees to be deposited into the Gaming Commission Fund established under Section 313.835, RSMo.

Section 9 – This section requires that licensees maintain in the state, or other location approved by the Commission and consistent with federal law, a computer server or servers used to receive transmissions of requests to place wagers and that transmit acceptance of those requests. Under current federal law, the servers would only be intrastate. The Commission is also aware of a potential conflict between the petition and Article III, Section 39 regarding the location of the servers within the state.

Section 11 – This section requires that a 10% tax be imposed upon the adjusted gross revenue received from sports wagering by each licensee, to be appropriated for elementary, secondary, and higher education, and to be paid after appropriations for the Commission’s reasonable expenses and contributions the Compulsive Gambling Prevention Fund until such fund has \$5,000,000. In years where the Commission does not collect renewal fees, licensing fees will be insufficient to meet the Commission’s reasonable expenses and would thus require the Commission to rely upon tax funds that would otherwise be appropriated to education in the state of Missouri. Section 11 also raises the question of what happens when the Compulsive Gambling Prevention Fund reaches \$5,000,000 and whether in subsequent years the Fund is required to be maintained at \$5,000,000.

Section 12 – This section requires that there will be the Compulsive Gambling Prevention Fund created in the state treasury which shall consist of the taxes and fees collected pursuant to the petition. The section is not clear if the Compulsive Gambling Prevention Fund shall contain only the funds specifically directed to the Fund, up to \$5,000,000, or if

the entirety of fees and taxes will be deposited into this fund in the first instance for later reimbursement and appropriation. This concern mirrors the notes related to Section 7.

Section 13(a) – This section states that the definition of adjusted gross revenue (as related to the wagering tax of 10% imposed in Section 11) is the total of all cash or cash equivalents received by a licensee from sports wagering minus (1) all cash and cash equivalents paid out as winnings to patrons, (2) the actual costs paid by a licensee for anything of value provided to and redeemed by patrons, including merchandise or services distributed to sports wagering patrons to incentivize sports wagering, (3) voided or cancelled wagers, (4) the costs of free play or promotional credits provided to and redeemed by the applicable licensee's patrons, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month, (5) any sums paid as a result of any federal tax, including federal excise tax, and (6) uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering patrons. Section 13(a) also states in (7) that if the amount of adjusted gross receipts in a calendar month is a negative figure, the certificate holder shall remit no sports wagering tax for that calendar month and any negative receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

1. There is a question as to Section 13(a)(4) as to whether the twenty-five percent figure is related to gross amounts or gross amounts less any winnings paid out to patrons.
2. There is a question as to Section 13(a)(5) as to whether "any federal tax" includes taxes from any jurisdiction or just federal taxes imposed from business in the State of Missouri.
3. Section 13(a)(7) appears as if it needs to be its own separate section independent from Sections 13(a)(1) through (6), as it does not define or identify deductions from gross revenue. Section 13(a)(7) also includes the term "certificate holder," which is not defined in the petition, nor is it used elsewhere.
4. There is also a question as to whether the totality of the deductions identified in Sections 13(a)(1) through (6) will result in sports wagering licensees showing negative adjusted gross revenues and therefore paying no sports wagering tax. This would in turn impact the ability of the Commission to meet its reasonable expenses as well as limit or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri. Additionally, the carryover provisions in Section 13(a)(7) would further impact the ability of the Commission to meet its reasonable expenses and further impact or eliminate contributions to the Compulsive Gambling Fund and education in the State of Missouri.

They also provided the following information.

Initiative Petition 24-135
Sports Wagering Summary Financial Summary Sheet

	1st Year	2nd Year	3rd Year	4th Year	5th Year
Tax Revenue Estimate	\$ 6,351,495.47	\$ 17,977,671.98	\$ 24,565,838.80	\$ 26,653,935.10	\$ 28,919,519.62
Fee Revenue Estimate	\$ 6,750,000.00	\$ -	\$ -	\$ -	\$ 6,750,000.00
Salary Expense Estimates	\$ (1,786,582.84)	\$ (1,728,307.54)	\$ (1,728,307.54)	\$ (1,728,307.54)	\$ (1,728,307.54)
E&E Expense Estimates	\$ (2,182,431.33)	\$ (2,182,431.33)	\$ (2,182,431.33)	\$ (2,182,431.33)	\$ (2,182,431.33)
Remaining Balance	\$ 9,132,481.30	\$ 14,066,933.11	\$ 20,655,099.94	\$ 22,743,196.23	\$ 31,758,780.75
To Compulsive Gambling	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00
To Education	\$ 4,132,481.30	\$ 9,066,933.11	\$ 15,655,099.94	\$ 17,743,196.23	\$ 26,758,780.75

Explanation:

Revenue minus Expense equals Remaining Balance. The first \$5M of the Remaining Balance go to the Compulsive Gaming Fund. The remaining funds go to institutions of elementary, secondary, and higher education.

The above summary assumes that all funds deposited to the Compulsive Gambling Fund are spent each year. While this is unlikely, we are unable to determine how much of the funds will be spent because the rules regarding the Compulsive Gambling Fund expenditures will need to be written.

Estimate of Missouri's Sports Betting Revenue based on Indiana's Sports Betting Experience

Indiana Sports Betting Total Adjusted Gross Receipts From Regulated Sports Betting, First Three Full Years of Operation

	Retail Gross Receipts	Online Gross Receipts	Total Gross Receipts	Excise Tax of .25% ***	Promotional Wagering est. 25% ****	Grand Total (Total minus Excise Tax and Promotional Wagering)
Year 1 (2020)*	\$ 36,450,058	\$ 48,519,781	\$ 84,969,839	\$ 212,425	\$ 21,242,460	\$ 63,514,955
Year 2 (2021)	\$ 48,766,484	\$ 191,737,489	\$ 240,503,973	\$ 601,260	\$ 60,125,993	\$ 179,776,720
Year 3 (2022)	\$ 40,292,892	\$ 288,347,092	\$ 328,639,984	\$ 821,600	\$ 82,159,996	\$ 245,658,388
Year 4 (2023)**	\$ 43,717,788	\$ 312,856,595	\$ 356,574,383	\$ 891,436	\$ 89,143,596	\$ 266,539,351
Year 5 (2024)**	\$ 47,433,800	\$ 339,449,406	\$ 386,883,206	\$ 967,208	\$ 96,720,801	\$ 289,195,196

Annualized Indiana Data for 2020 (Revenue/10 months) x 12 months

Retail	\$ 30,375,048	\$ 36,450,058
Online	\$ 48,766,484	\$ 58,519,781

* Indiana only had sports betting for 10 months of 2020. Therefore, the 2020 figures have been annualized. Adjusted gross receipts were obtained from Indiana Gaming Commission's 2022 Annual Report (see link below). Indiana's adjusted gross receipts includes a 2% deduction for estimated voided or cancelled wagers and uncollectible receivables, similar to what is done in Missouri.

<https://www.in.gov/igc/files/FY2022-Annual.pdf>

NOTE: Indiana was chosen for comparison due to their similar population, number of casinos, geographical proximity and other demographics (see Census link below).

<https://www.census.gov/quickfacts/fact/table/MO,IN,US/HSG445220>

** Per a study completed by Eilers & Krejciek for the state of Indiana, forecasts reflect a baseline maturity state at Year 3, and they estimated an 8.5% growth for Year 4 and 5.

<https://www.in.gov/igc/files/Indiana-SportsBettingReport-Final-Oct18-1.pdf>

*** Section 39(g) 13. a. (5) of the proposed petition states that a licensee can deduct "any sums paid as a result of ANY federal tax, including federal excise tax." We are unable to discern what is included in "any federal tax", however we have used the federal excise tax (.25%) in our calculation.

**** Section 39(g) 13. a. (4) of the proposed petition states that a licensee can deduct "twenty-five percent of the total of all cash and cash equivalents received" for the costs of free play or promotional credits. However, our data is from Indiana and they do not allow for such deductions. Although we are unable to determine how much of a deduction a licensee would take, we have applied the 25% to the adjusted gross receipts.

Fee Calculations

Revenue Streams¹	Number of Applicants or Holders of Sports Wagering	Fee Amount	1st Year	2nd Year	3rd Year	4th Year	5th Year
Retail License - Boats	13	\$ 250,000.00	\$ 3,250,000.00	\$ -	\$ -	\$ -	\$ 3,250,000.00
Retail License - Professional Teams	6	\$ 250,000.00	\$ 1,500,000.00	\$ -	\$ -	\$ -	\$ 1,500,000.00
Mobile License - Mobile Operators	4	\$ 500,000.00	\$ 2,000,000.00	\$ -	\$ -	\$ -	\$ 2,000,000.00
TOTAL FEES COLLECTED²			\$ 6,750,000.00	\$ -	\$ -	\$ -	\$ 6,750,000.00

¹ Total Fees Collected are estimates only and are based on the assumption that all casinos and sportbook providers are being approved and licensed at the same time.

Sports Wagering

Initiative 24-135

Salary Calculations

Position Title	# of FTE	Annual Salary	Annual Fringes (36.48% plus \$15,586)	IT Equipment (one time)	IT Equipment (ongoing)	Desk (one time)	Chair (one time)	File Cabinet (one time)	Calculator (one time)	Office Supplies (ongoing)	Voice/Data Wiring (one time)	Voice/Data (ongoing)	Annual Travel Expenses Related to Job Performance (ongoing)	TOTAL	Second Year and Ongoing
Senior Applications Developer	1	\$ 73,692.34	\$ 40,317.34	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 129,524.06	\$ 125,639.04
Program Coordinator (Sports Wagering)	1	\$ 83,463.34	\$ 43,596.51	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 142,574.23	\$ 138,689.21
Program Coordinator (Responsible Gaming)	1	\$ 83,463.34	\$ 43,596.51	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 142,574.23	\$ 138,689.21
Legal Counsel	1	\$ 91,279.30	\$ 46,219.57	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 153,013.25	\$ 149,128.23
Cybersecurity Specialist	1	\$ 83,463.34	\$ 43,596.51	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 142,574.23	\$ 138,689.21
Financial Analyst	1	\$ 77,608.41	\$ 41,631.58	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 134,754.37	\$ 130,869.35
Electronic Gaming Device Specialist	1	\$ 63,020.00	\$ 36,735.67	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 115,270.05	\$ 111,385.03
Electronic Gaming Device Specialist	1	\$ 63,020.00	\$ 36,735.67	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 115,270.05	\$ 111,385.03
Administrative Support Assistant	1	\$ 44,258.29	\$ 30,439.20	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 90,211.87	\$ 86,326.85
Administrative Support Assistant	1	\$ 44,258.29	\$ 30,439.20	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 90,211.87	\$ 86,326.85
Administrative Support Professional (Licensing)	1	\$ 50,416.10	\$ 32,505.77	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 98,436.26	\$ 94,551.24
Administrative Support Professional (Admin)	1	\$ 52,985.77	\$ 33,368.16	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 101,868.31	\$ 97,983.29
Regulatory Auditor (Policy)	1	\$ 59,149.06	\$ 35,436.58	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 110,100.02	\$ 106,215.00
Cybersecurity Analyst	1	\$ 59,149.06	\$ 35,436.58	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 110,100.02	\$ 106,215.00
Cybersecurity Analyst	1	\$ 59,149.06	\$ 35,436.58	\$ 1,646.02	\$ 411.36	\$ 601.00	\$ 719.00	\$ 599.00	\$ 20.00	\$ 372.00	\$ 300.00	\$ 420.00	\$ 10,426.00	\$ 110,100.02	\$ 106,215.00
TOTAL	15	\$ 988,375.71	\$ 565,491.43	\$ 24,690.30	\$ 6,170.40	\$ 9,015.00	\$ 10,785.00	\$ 8,985.00	\$ 300.00	\$ 5,580.00	\$ 4,500.00	\$ 6,300.00	\$ 156,390.00	\$ 1,786,582.84	\$ 1,728,307.54
Add additional MGC expense (from Sports Wagering Cost tab):														\$ 2,182,431.33	\$ 2,182,431.33
Total estimated annual cost to MGC:														\$ 3,969,014.17	\$ 3,910,738.87

SPORTS WAGERING COST

17 Sports Gaming Employees / 222
Current + Sports Gaming Employees =

7.7%

Ratio of Sports
Gaming to Total
Employees

	FY23 Total MGC Expenses	FY23 Ratio of Sports Gaming to Total Employees (7.7%)
Salaries	\$13,935,002.20	\$1,067,094.76
Fringe	\$10,622,003.38	\$813,396.66
Travel In-State	\$49,796.31	\$3,813.23
Travel Out-State	\$54,147.98	\$4,146.47
Supplies	\$48,699.60	\$3,729.25
Professional Development	\$40,553.53	\$3,105.45
Communication Serv & Supplies	\$229,976.66	\$17,610.83
Professional Services	\$197,742.30	\$15,142.43
Maintenance & Repair Services	\$272,326.50	\$20,853.83
Computer Equipment	\$128,017.34	\$9,803.13
Office Equipment	\$599.99	\$45.95
Property and Improvements	\$8,200.00	\$627.93
Building Lease Payments	\$540,464.53	\$41,386.92
Equipment Rental & Leases	\$1,806.50	\$138.34
Miscellaneous Expenses	\$4,294.87	\$328.89
Attorney General Salaries	\$68,650.26	\$5,257.00
Attorney General Expense & Equipment	\$16,942.88	\$1,297.43
Real Estate PS - Other	\$741.00	\$56.74
MSHP Vehicle Maintenance	\$419,842.62	\$32,150.11
MSHP Gasoline	\$648,515.18	\$49,661.07
MSHP Administration	\$8,229.67	\$630.20
MSHP Academy PS	\$90,528.42	\$6,932.36
MSHP Academy E&E	\$35,947.54	\$2,752.74
MSHP Admin PS	\$38,525.32	\$2,950.14
MSHP Vehicle Replacement	\$504,420.00	\$38,626.76
MOVERS Cost Allocation	\$137,908.00	\$10,560.52
Cost Allocation Plan	\$396,103.00	\$30,332.21
TOTAL	\$28,499,985.58	\$2,182,431.33

The approximate \$2.1M represents the current MGC and MSHP Gaming Division staff and expenses. The fees received from sports wagering licensing would cover the expenses related to sports wagering regulation for years 1 and 5. However, since no licensing fees would likely be received in years 2, 3, and 4, the expenses related to sports wagering regulation would need to come from tax collected per Section 39(g) 11. a. of the petition.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, and State Technical College of Missouri.**

Fiscal Note Summary

State governmental entities estimate one-time costs of \$326,000, ongoing costs of \$4.4 million annually, initial license fee revenue of \$6.75 million, and ongoing annual tax revenue ranging from \$6.4 million to \$26.7 million by the fourth year of implementation. Local governments estimate unknown revenue.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

August 30, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

AUG 30 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Jamie Corley regarding a proposed constitutional amendment to Article I, version 6 (2024-134)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Jamie Corley on August 30, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article I of the Constitution by adopting one new section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article I of the Constitution is revised by adopting one new Section to be known as Article I, Section 36 to read as follows:

Section 36. 1. The state shall not deny or interfere with the fundamental right to refuse to have an abortion.

2. The state shall not deny or interfere with the fundamental right to refuse contraceptives.

3. Notwithstanding any other provision of law to the contrary, no taxpayer funds shall be directed, appropriated, or used in support of the provision of abortion in this state. This subsection does not authorize the general assembly to refuse to appropriate funds to a health care provider in this state if such health care provider performs abortions.

4. The state shall not deny or interfere with the fundamental right to choose to have an abortion before fetal viability, in the case of rape or sexual assault, incest, fatal fetal abnormality, or risk to the health or safety of the female seeking an abortion.

a. In the event of a rape or sexual assault, no abortion shall be performed unless the alleged rape or sexual assault has been reported to a rape or sexual assault crisis hotline.

5. Notwithstanding subsection 4 of this section, the state shall not deny or interfere with the fundamental right to choose to have an abortion through a gestational age of twelve weeks.

6. The state shall not deny or interfere with the fundamental right to choose contraceptives.

7. Nothing in this section shall be construed to repeal any law existing at the time of its passage unless such existing law directly conflicts with any provision of this section.

8. Notwithstanding any other provision of law to the contrary, no person may be subject to any criminal prosecution or civil penalty:

a. if such person is a pregnant female and induces, seeks, or obtains an abortion in this or any state;

b. if such person is a health care provider performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section; or

c. if such person assists or provides support to a pregnant female in obtaining an abortion in this or any state.

9. Notwithstanding any other provision of law to the contrary, no taxpayer funds shall be directed, appropriated, or used in support of the criminal prosecution of:

a. any pregnant female for inducing, seeking, or obtaining an abortion;

b. any health care provider for performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section; or

c. any person for assisting or providing support to a pregnant female in obtaining an abortion.

10. The rights guaranteed by this section shall be unalienable. Any restriction on these rights shall be subject to strict scrutiny and the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-134)**

Subject

Initiative petition from Jamie Corley regarding a proposed constitutional amendment to Article I. (Received August 30, 2023)

Date

September 19, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Samuel H. Lee, Campaign Life Missouri provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated:

TO: Sheri Hoffman

DATE: September 8, 2023

FROM: Diana Haines

Fiscal Note: Initiative petition – Proposed constitutional amendment to Article I (2024-134)

The proposed amendment to Article I would add the “fundamental right to choose to have an abortion” to Missouri’s constitution. It would abrogate Missouri’s recently enacted Right to Life of the Unborn Child Act and enshrine in our state constitution the right to terminate the lives of unborn Missourians. The Missouri Attorney General’s Office expects that the enactment of this proposal would result in a significant fiscal impact to the state.

Analysis

Enshrining abortion rights in our state constitution will have an adverse fiscal impact on Missouri as a whole, and on the state’s political subdivisions. Additionally, the proposed petitions would also trigger significant additional legal costs because they will certainly give rise to legal challenges in which the Attorney General’s Office would be involved.

I. The proposed petitions will have an adverse fiscal impact on Missouri and its political subdivisions

This ballot measure will affect the present and future population of all of Missouri’s 114 counties, and her hundreds of cities, townships and villages. For example, in commenting on the fiscal impact of a similar initiative petition, Greene County recognized the adverse fiscal impact of abortion as it relates to a decreased population. Greene County estimated that 135 future citizens would be lost annually due to legalizing abortion. Greene County’s estimates were supported by fertility rates and the number of

abortions recorded in 2020 by the Missouri Department of Health and Senior Services. Greene County estimated nearly \$51,000 in lost revenue annually to that county based on the reduction in population base. Moreover, this annual dollar amount necessarily increases cumulatively in successive years. (e.g., \$102,000 in year 2, \$153,000 in year 3, \$204,000 in year 4, etc.).

The economic loss to Missouri is not limited to Greene County. The widespread economic devastation created by abortion is supported by a nationwide study published by the United States Senate Joint Economic Committee. See

<https://www.jec.senate.gov/public/index.cfm/republicans/2022/6/the-economic-cost-of-abortion>. It reports an estimated economic cost of abortion in 2019 alone, due to nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of the GDP. A fiscal note must “state the measure’s estimated cost or savings, if any, to state or local governmental entities.” § 116.175, RSMo. The budget for “state [and] local governmental entities” is 11% of the total Missouri economy, according to a 2021 report by the Missouri Economic Research and Information Center. Based on the Senate study and 4,660 abortions in Missouri in 2019,¹ the total economic loss to Missouri from these measures could be as high as \$51 billion, meaning loss to “state or local government entities” would be as high as \$5.61 billion.

That magnitude of economic loss will adversely impact every political subdivision in the state. Indeed, the more populous a region, the greater the economic harm from an aborted population will be. St. Louis City, Jackson County, St. Louis County and Kansas City will be hit hardest of all. These four geographic areas account for approximately one-third of Missouri’s total population.² Based on the numbers cited above, the economic harm to Missouri’s most populous areas is expected to be close to \$17 billion. This type of substantial economic loss attributable to aborting unborn lives cannot be denied and must be included in any fiscal analysis informing voters of the true impact of this proposed initiative petition.

II. The proposed petitions will increase legal costs for the Attorney General’s Office

The Attorney General’s Office (AGO) would also incur substantial legal costs relating to the proposed petitions, including additional costs to general

¹ <https://health.mo.gov/data/vitalstatistics/mvs19/Table12ab.pdf>.

² See <https://www.missouri-demographics.com/cities by population>

operating expenses. First, the petitions involve a controversial topic that is sure to motivate multiple lawsuits by well-funded individuals and organizations dedicated to protecting the sanctity of life in Missouri. General litigation costs alone could run into the millions of dollars. Additionally, the AGO will likely have to hire conflict counsel to participate in these suits because the Attorney General has staked out a position strongly in favor of protecting the unborn, creating a positional conflict that is untenable for the Attorney General and would necessarily generate greater legal costs.

All told, any single lawsuit challenging the validity or application of these proposed amendments would cost as much as \$1.5 million based on the AGO's estimates. Even if validity was only challenged in a few cases, that would still amount to as much as \$6 million in additional legal costs in the first few years. Over the course of 10 years, the office estimates general increased litigation costs and costs associated with conflict counsel to be as much as \$15 million.

The Attorney General's Office also estimates substantial sums in attorney's fees and costs because these proposed amendments would violate fundamental conscience protections guaranteed by federal law if applied to certain Missouri workers. Private and public employees in Missouri are guaranteed conscience protections by many federal laws, such as RLUIPA and § 401(b) of the Health Programs Extension Act of 1973. The proposed amendment would violate these conscience protections with respect to certain Missouri workers, forcing the office to pay not only for conflict counsel, but also attorney's fees to lawyers asserting the federal conscience rights of individual Missourians. The office anticipates up to \$6 million in additional costs for that reason.

Conclusion

These proposed initiative petitions would subvert current state law and enshrine in Missouri's constitution the right to abort unborn children. Not only is that morally repugnant, it is fiscally irresponsible. If enacted, these proposed petitions would have a severe, negative economic impact on the State of Missouri and its political subdivisions. The lost revenue from aborting so many unborn Missourians could be as high as \$51 billion, including \$5.61 billion to "state or local governmental entities." § 116.175. Moreover, additional litigation costs for the AGO and mandatory attorney's fees could run as high as \$21 million. As the AGO continues its legal and fiscal analysis of these misguided proposals, it will update the Auditor's Office if new data becomes available.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-134 and determined there is no impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated they have reviewed Draft No. 24-130 IP through 24-134 IP and has determined that the initiative petitions, with changes, results in the same zero impact as were stated in response to initiative petition 24-129.

Changes to the bill are as follows:

The language in IP 24-130 through IP 24-134 has the same sections similar to those in IP 24-129 as it creates provisions relating to a constitutional amendment that would allow abortions under certain circumstances, reinstating the possibility of abortion facilities being allowed to operate in Missouri.

Comments:

The initiative petition for IP 24-130 through IP 24-134 is the same zero impact for IP 24-129.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-134 proposing to amend Article I.

Officials from the **Department of Revenue** indicated after a thorough review of IP 24-134, their department assumes this will not have a fiscal or administrative impact on their department or their operations. Their department also notes no impact is expected to state tax revenue from this IP.

Officials from the **Department of Public Safety** indicated no impact for their department.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to abortion does not directly financially impact their office.

Section 36.3 undermines the General Assembly's appropriation power. The constitution specifies the limitations on the General Assembly's power and that section does not specify other feasible limits upon adoption of new sections, creating a conflict with the proposed language here. Section 36.4 does not define "right to choose" as though that creates an affirmative requirement on the state to allow or perform an abortion, or to make services accessible. Section 36.4.a conflicts with free speech principles. The proposed section compels speech in order to effectuate another (proposed) constitutional right. Section 36.8 and its subsections are vague. The language is not limited explicitly limited to Missouri. This State cannot control criminal proceedings in another jurisdiction for alleged violations of the other state's law. Further, the language reads that "no person may be subject to *any* criminal prosecution" if such person performs one of the enumerated actions. One interpretation is that one may avoid criminal liability for any possible crime after having sought an abortion, regardless of other context. Due the vagueness throughout the proposal, Section 36.7 also will require interpretation to understand its full effect.

Each provision noted above creates potential litigation costs to the state through declaratory judgement actions to understand the meaning of terms, criminal proceedings (including post-trial), and civil litigation about actions taken when attempting to balance (proposed) constitutional rights. These costs will ultimately burden taxpayers.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-134 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission on initiative petition 24-134.

Officials from the **Office of Administration** indicated this proposal relating to abortion does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-134 a proposed constitutional amendment to Article I, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-134 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated in reviewing initiative petition 24-134 it has been determined there will be an increased cost to the County of Greene due to loss of tax revenue if voters vote to amend Article I.

The Missouri Department of Health & Senior Services recorded 135 "resident abortions" for Greene County in 2020 and 118 in 2021. The population of Greene County per the 2020 United States census was 298,915.

(<https://www.census.gov/quickfacts/fact/table/greencountymissouri/PST045221>)

In terms of economic impact, Greene County received \$112,673,249 in sales and property taxes for calendar year 2022 (**\$376.94** per capita based on **2020** census data). Accordingly, calculations from these figures indicate an annual loss in population of **135** represents a cost to the County of **\$50,886.90**; an increase in abortion statistics could reasonably be extrapolated to illustrate less tax collections and revenues over the years of potential working lifetimes.

Please see the attached table demonstrating the anticipated yearly on per capita basis and the overall fiscal impact on Greene County tax collections and revenues based on the recorded abortions in 2020 by Missouri Department of Health and Senior Services.

Additional research regarding the broader fiscal impact of lower fertility rates on local and state communities and government budgets may be found here:

- <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/12/the-long-term-decline-in-fertility-and-what-it-means-for-state-budgets>

Greene County Collections in 2022	
2020 Population	298,915
Total Sales Tax Collected	126,986,094.91
Parks I	(8,226,052.01)
Parks II	(8,773,337.47)
Dan Kinney Bond from Parks I	(551,342.50)
LEST	(11,631,863.21)
Strafford TIF	(24,374.44)
Springfield Plaza TIF	(174,240.83)
Sales Tax Subtotal	97,604,884.45
Real Estate Tax	12,222,341.99
Personal Property Tax	2,846,022.58
Property Tax SubTotal	15,068,364.57
Total Taxes	112,673,249.02
Per Capita	376.94
Annual lost population	135
Annual Cost	50,886.90

Officials from **St. Louis County** indicated there would be no fiscal impact to their county as a result of this initiative petition.

Officials from the **City of Kansas City** indicated this proposed amendment has no fiscal impact on their city.

Officials from **Wellsville-Middletown R-1 School District** indicated it is unknown the estimated cost or savings this petition would have.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and do not see an impact on revenue or expense to their college.

Samuel H. Lee, Campaign Life Missouri provided the following information:



Samuel Lee
Director

September 9, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

In accordance with the provisions of [section 116.175](#), this is a proposed statement of the fiscal impact of the six initiative petitions numbered 2024-129 through 2024-134 submitted by Jamie Corley with the Missouri Women and Family Research Fund, which your office received on August 30, 2023.

To summarize, the proposed six ballot measures – all of which would amend the Missouri Constitution – could result in:

- A decrease in federal Medicaid revenues by an unknown amount, up to \$12.5 billion annually.
- Increased costs to taxpayers of unknown amounts, because of medical treatment of, or other services for, children or adults injured by abortions performed by unlicensed or untrained persons.
- Increased costs of an unknown amount to the Department of Health and Senior Services for the inspection and licensing of thousands of abortion facilities.
- Loss of revenue of unknown amounts to the state and its political subdivisions, because of boycotts of businesses, shopping, tourism or other revenue-generating activities, as a result of Missouri becoming a Midwest “abortion destination” state.
- Long-term loss of revenues of unknown amounts to the state and its political subdivisions, because of a decrease in the workforce due to the number of children who are aborted, as well as because of individuals who can no longer work after they become disabled because of unsafe abortions. But more important than fiscal costs, the human cost to Missouri’s citizens is unimaginable.

Former-Auditor Galloway made a comparable analysis of the fiscal impacts when she issued her fiscal note and fiscal note summary on [HB 126 \(20-R001 on June 19, 2019\)](#) – the subject of a referendum that year. Her fiscal note summary became part of the [official ballot title certified by Secretary of State on August 14, 2019](#), for the referendum on HB 126.

Supporting Information on Fiscal Impact of the Six Initiative Petitions:

- The loss of federal Medicaid matching dollars, which in the fiscal year 2024 budget **could be a loss of nearly \$12.5 billion.**
 - In FY 2023, Missouri lawmakers appropriated about \$16.9 billion for Medicaid (MO HealthNet) across state agencies. [The majority of Medicaid financing in 2023 – \\$10.6 billion – came from federal matching funds.](#) The governor’s budget for MO HealthNet for FY 2024 is nearly \$19.3 billion – [almost \\$12.5 billion which comes from federal funds.](#)
 - The loss of federal Medicaid matching funds could occur if Missouri is out of compliance with federal Medicaid requirements, for example:
 - If the state cuts off Medicaid reimbursements to Catholic hospitals or other pro-life health care providers. This could result from the requirement found in all six initiative petitions that there is a “fundamental right to choose to have an abortion ... in the case of ... risk to the health or safety of the female seeking an abortion.” And each of the six declares this “fundamental right” is “unalienable” and that “the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.”
 - These provisions could be interpreted to “obligate[]” the state to require Medicaid providers (including Catholic hospitals and other pro-life or faith-based health care providers) to perform or induce abortions at any time during pregnancy where there is the mere assertion (by anyone) that the abortion is necessary for “health or safety.”
 - Thus, because the right to a “health or safety” abortion is “unalienable” ([not transferable to another; not capable of being taken away or denied](#)), state government could compel recipients of public funds (e.g., Medicaid providers) to protect such a “right” as a condition of receiving public funds.
 - However, for the state government to require Catholic or other pro-life health care providers (or others) to offer, pay for or refer for abortions, would be a violation of their conscience rights – for which the federal government could withhold from the state, Medicaid matching dollars.
 - For example, in California in 2020, [HHS disallowed \\$200 million in federal Medicaid matching funds per quarter due to the state’s unlawful abortion insurance mandate](#), which forced a Catholic order of religious sisters and a non-profit Christian Church to provide abortion health insurance coverage. See also:
 - [“The Fight Over California’s Abortion Coverage Mandate,”](#) *Regulatory Review*, February 3, 2021 (“Can a state require that all health plans offered to its residents cover elective abortions? The federal government thinks not, and the state of California is poised to lose at least \$200 million in Medicaid dollars because it insists that health plans in its state cover abortion services.”)
 - [“Federal agency says UVM Med Center forced nurse to assist in abortion,”](#) *VT Digger*, August 28, 2019 (“The U.S. Department of Health and Human Services has accused the University of Vermont Medical Center of forcing a nurse to assist in an abortion procedure despite the nurse’s religious objections. ... The [letter from Roger Severino](#), the director of HHS’ Office for

Civil Rights, asks the hospital to adjust its policies or face losing the federal funding it receives from HHS.”)

- There might be additional circumstances where state compliance with at least some of the proposed constitutional amendments would force the state to be out of compliance with federal Medicaid law, such as the state paying for abortions with federal funds that are not permitted to be reimbursed under federal law. For example, the state might be compelled by the terms of some of the initiative petitions to pay for all abortions for all Medicaid-eligible females, because failing to do so might be construed as the state “deny[ing] or interfere[ing] with the fundamental right to choose to have an abortion” when the state is paying for the labor and delivery of children for all Medicaid-eligible females. In other words, under an amended state constitution, Missouri might no longer be “permitted to enact persuasive measures which favor childbirth over abortion” (*Planned Parenthood v. Casey*, 505 U.S. 833, 886 (1992)).
- Under the six initiative petitions, “no person may be subject to any criminal prosecution or civil penalty ... if such person is a health care provider performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section”. Thus, ANY person claiming to be a “health care provider” – licensed or unlicensed, trained or untrained – could legally perform, induce or assist in an abortion **with no penalties whatsoever**. **This could result in numerous, life-altering medical complications for the child or adult who underwent the abortion.** And because no civil penalties could be imposed (e.g., no payments for medical care, no recovery for economic or non-economic damages in a malpractice action, etc.), this could result in huge medical costs for the female and her child – **that would ultimately be paid for by taxpayers.**
 - Regarding abortion, in Missouri, the cost of inpatient medical procedures and emergency department services for treating “issues before childbirth with complications” is a **median charge per person of \$11,977** – with a minimum charges of \$4,140 and a **maximum charge of \$35,345**.
 - And the cost could be even higher for an abortion-related ER visit. One recent study found that a “[p]atient concealment and/or physician failure to identify a prior abortion during an ER visit is a significant risk factor for a subsequent hospital admission.” In fact, “[c]hemical abortion patients whose abortions are misclassified as miscarriages during an ER visit subsequently experience on average 3.2 hospital admissions within 30 days. 86% of the patients ultimately have surgical removal of retained products of conception (RPOC).”
 - According to the CDC, in 2020, nearly 10,000 Missouri residents obtained abortions (9,980 total, but only 167 within the state). Having unlicensed, non-medical personnel permitted to perform or induce abortions within the state on even a fraction of these 10,000 girls or women could result in untold harm to them now – and harm to their future health and fertility.
 - And there might be additional costs to the state, local governments, school districts, etc., beyond treating the complications to girls or women from having abortions performed, induced or “assisted” on them by non-physicians or by a broad range of undefined or self-described “health care providers.” Any low-birthweight infant born

- alive after a late-term abortion could need long-term NICU care and possibly permanent assistance throughout childhood and during his or her adult life.
- According to a [2020 New York Times story](#): “The March of Dimes estimates that the average societal cost of each preterm birth, which includes medical care, early intervention services and lost productivity, is \$65,000.”
 - That same story reported on a cost of \$4 million in NICU costs for triplets who were born prematurely.
 - [Preterm birth lifetime costs in the United States](#) (as of 2016) were “estimated to be \$25.2 billion: \$17.1 billion for medical care of persons born preterm, \$2.0 billion for delivery care, \$1.3 billion for early intervention and special education, and \$4.8 billion in lost productivity due to associated disabilities in adults.”
- **Other costs could be the licensing and inspection of multiple locations (potentially thousands of sites) as “abortion facilities,” as required under Missouri law.** [Section 197.205](#) requires that no person or governmental unit shall establish, conduct or maintain an abortion facility in the state without a license issued by the Missouri Department of Health and Senior Services (DHSS). And because each of the six initiative petitions state that “[n]othing in this section [36 of Article I] shall be construed to repeal any law existing at the time of its passage unless such existing law directly conflicts with any provision of this section,” then DHSS would be obligated to enforce section 197.205 – while no longer being permitted to enforce the “directly conflict[ing]” “existing law[s]” requiring that an abortion can only be performed or induced by a physician.
 - [Section 188.015](#) defines an “abortion facility” as “a clinic, physician’s office, or any other place or facility in which abortions are performed or induced other than a hospital”.
 - [Section 197.230](#) states that “[i]n the case of any abortion facility, the department [of health and senior services (DHSS)] shall make or cause to be made an unannounced on-site inspection and investigation at least annually.” Such on-site inspections and investigations must include a variety of areas relating to staffing and equipment to respond to medical emergencies, compliance with Missouri’s abortion laws and the requirement that continuous physician services or registered professional nursing services are to be provided whenever a patient is in the facility.
 - There are [more than 7,000 licensed pharmacists in Missouri](#), and under the proposed constitutional amendments, any pharmacy (or other place) where a pharmacist provides abortion pills, DHSS would be required to inspect and license. **This would be an enormous cost to the department and to taxpayers.** And any other place where abortion pills would be provided (homes, schools, vending machines, clinics, etc.) would also have to be inspected at least once a year and licensed.
 - **Economic boycotts of Missouri and its businesses could result if the “Show-Me” state becomes the “Abort-Me” state, once it is transformed into a Midwest “abortion destination” – a distinct possibility since Missouri is [“within a day’s reach of half of U.S. households”](#).**

- Just as [some pro-abortion advocates in other states are promoting boycotts of states like Missouri that currently protect unborn children from abortion](#), pro-life advocates in other states might boycott by no longer purchasing from Missouri businesses, or engaging in travel, tourism or shopping in Missouri. How tragic that would be for Missouri, which has been described as [one of the top pro-life states in the country](#).
 - Some “red” states have been prohibiting or attempting to prohibit their [governmental entities from doing business with financial firms in other states that take environmental, social and corporate governance \(ESG\) into consideration](#), and those same states and additional ones might extend that to any “abortion destination” state – which is what Missouri could become if any one of the six initiative petitions is enacted into law.
 - “[Missouri tourism provides a \\$13.5 billion economic impact that creates more than 257,000 jobs in the state](#),” according to the [Missouri Division of Tourism](#). It could be a devastating loss to the state and its residents if Missouri became the abortion capital of the Midwest.
- By some estimates, the economic cost to the U.S. of abortion in 2019 – due to the loss of nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of GDP. **Missouri could experience increased economic loss if the number of abortions increases in the state.** And unsafe, legal abortions in the state could result in the disability of countless women who – perhaps permanently – would be unable to enter or remain in the workforce.
 - According to a June 15, 2022, report of the [Joint Economic Committee](#) (JEC) Republicans – [The Economic Cost of Abortion](#) – “the economic cost of abortion due the loss of unborn lives is 425 times larger than the earnings loss mothers would be expected to incur when having a child.”
 - According to a key finding in the report: “In the long run, abortion shrinks the labor force, stunts innovation, and limits economic growth. It also weakens the solvency of social insurance programs like Social Security and Medicare that rely on workers to support a growing elderly population.”
 - And as the [International Planned Parenthood Federation has noted](#): “**Unsafe abortions** are performed by un- or under-trained providers ... It is possible to have an unsafe, legal abortion.” (underlining added)
 - Under all six initiative petitions, “[n]otwithstanding any other provision of law to the contrary, no person may be subject to any criminal prosecution or civil penalty ... if such person is a health care provider performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section”.
 - Thus, an unlicensed, untrained, undefined or otherwise self-described “health care provider” of ANY age would have the right to perform or induce unsafe, legal abortions (or assist in them) “and the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.” While the economic cost of such a policy is incalculable, more important and horrifying, the human cost to Missouri’s citizens – born and unborn – is unimaginable.

Auditor Fitzpatrick, if we can be of further assistance, please do not hesitate to contact us.

Sam



Samuel H. Lee
Campaign Life Missouri
P.O. Box 142585
St. Louis, MO 63114-0585
(314) 368-4242

Email: samuelhlee@mindspring.com

Twitter: [@samuelhlee](https://twitter.com/samuelhlee)



P.O. Box 142585 • St. Louis, MO 63114-0585

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, State Technical College of Missouri, and University of Missouri.**

Fiscal Note Summary

The Attorney General's office and opponents estimate a potentially significant loss to state and local revenue. The Attorney General's office estimates increased state litigation costs of up to \$21 million. Other state governmental entities estimate no costs or savings. Local governments estimate reduced revenue of at least \$51,000 annually.



JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

August 30, 2023

RECEIVED

AUG 30 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Jamie Corley regarding a proposed constitutional amendment to Article I, version 5 (2024-133)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Jamie Corley on August 30, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article I of the Constitution by adopting one new section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article I of the Constitution is revised by adopting one new Section to be known as Article I, Section 36 to read as follows:

Section 36. 1. The state shall not deny or interfere with the fundamental right to refuse to have an abortion.

2. The state shall not deny or interfere with the fundamental right to refuse contraceptives.

3. Notwithstanding any other provision of law to the contrary, no taxpayer funds shall be directed, appropriated, or used in support of the provision of abortion in this state. This subsection does not authorize the general assembly to refuse to appropriate funds to a health care provider in this state if such health care provider performs abortions.

4. The state shall not deny or interfere with the fundamental right to choose to have an abortion, before fetal viability, in the case of rape or sexual assault, incest, fatal fetal abnormality, or risk to the health or safety of the female seeking an abortion.

a. In the event of a rape or sexual assault, no abortion shall be performed unless the alleged rape or sexual assault has been reported to a rape or sexual assault crisis hotline.

5. The state shall not deny or interfere with the fundamental right to choose contraceptives.

6. Nothing in this section shall be construed to repeal any law existing at the time of its passage unless such existing law directly conflicts with any provision of this section.

7. Notwithstanding any other provision of law to the contrary, no person may be subject to any criminal prosecution or civil penalty:

a. if such person is a pregnant female and induces, seeks, or obtains an abortion in this or any state;

b. if such person is a health care provider performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section; or

c. if such person assists or provides support to a pregnant female in obtaining an abortion in this or any state.

8. Notwithstanding any other provision of law to the contrary, no taxpayer funds shall be directed, appropriated, or used in support of the criminal prosecution of:

a. any pregnant female for inducing, seeking, or obtaining an abortion;

b. any health care provider for performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section; or

c. any person for assisting or providing support to a pregnant female in obtaining an abortion.

9. The rights guaranteed by this section shall be unalienable. Any restriction on these rights shall be subject to strict scrutiny and the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-133)**

Subject

Initiative petition from Jamie Corley regarding a proposed constitutional amendment to Article I. (Received August 30, 2023)

Date

September 19, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Samuel H. Lee, Campaign Life Missouri provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated:

TO: Sheri Hoffman

DATE: September 8, 2023

FROM: Diana Haines

Fiscal Note: Initiative petition – Proposed constitutional amendment to Article I (2024-133)

The proposed amendment to Article I would add the “fundamental right to choose to have an abortion” to Missouri’s constitution. It would abrogate Missouri’s recently enacted Right to Life of the Unborn Child Act and enshrine in our state constitution the right to terminate the lives of unborn Missourians. The Missouri Attorney General’s Office expects that the enactment of this proposal would result in a significant fiscal impact to the state.

Analysis

Enshrining abortion rights in our state constitution will have an adverse fiscal impact on Missouri as a whole, and on the state’s political subdivisions. Additionally, the proposed petitions would also trigger significant additional legal costs because they will certainly give rise to legal challenges in which the Attorney General’s Office would be involved.

I. The proposed petitions will have an adverse fiscal impact on Missouri and its political subdivisions

This ballot measure will affect the present and future population of all of Missouri’s 114 counties, and her hundreds of cities, townships and villages. For example, in commenting on the fiscal impact of a similar initiative petition, Greene County recognized the adverse fiscal impact of abortion as it relates to a decreased population. Greene County estimated that 135 future citizens would be lost annually due to legalizing abortion. Greene County’s estimates were supported by fertility rates and the number of

abortions recorded in 2020 by the Missouri Department of Health and Senior Services. Greene County estimated nearly \$51,000 in lost revenue annually to that county based on the reduction in population base. Moreover, this annual dollar amount necessarily increases cumulatively in successive years. (e.g., \$102,000 in year 2, \$153,000 in year 3, \$204,000 in year 4, etc.).

The economic loss to Missouri is not limited to Greene County. The widespread economic devastation created by abortion is supported by a nationwide study published by the United States Senate Joint Economic Committee. See

<https://www.jec.senate.gov/public/index.cfm/republicans/2022/6/the-economic-cost-of-abortion>. It reports an estimated economic cost of abortion in 2019 alone, due to nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of the GDP. A fiscal note must “state the measure’s estimated cost or savings, if any, to state or local governmental entities.” § 116.175, RSMo. The budget for “state [and] local governmental entities” is 11% of the total Missouri economy, according to a 2021 report by the Missouri Economic Research and Information Center. Based on the Senate study and 4,660 abortions in Missouri in 2019,¹ the total economic loss to Missouri from these measures could be as high as \$51 billion, meaning loss to “state or local government entities” would be as high as \$5.61 billion.

That magnitude of economic loss will adversely impact every political subdivision in the state. Indeed, the more populous a region, the greater the economic harm from an aborted population will be. St. Louis City, Jackson County, St. Louis County and Kansas City will be hit hardest of all. These four geographic areas account for approximately one-third of Missouri’s total population.² Based on the numbers cited above, the economic harm to Missouri’s most populous areas is expected to be close to \$17 billion. This type of substantial economic loss attributable to aborting unborn lives cannot be denied and must be included in any fiscal analysis informing voters of the true impact of this proposed initiative petition.

II. The proposed petitions will increase legal costs for the Attorney General’s Office

The Attorney General’s Office (AGO) would also incur substantial legal costs relating to the proposed petitions, including additional costs to general

¹ <https://health.mo.gov/data/vitalstatistics/mvs19/Table12ab.pdf>.

² See <https://www.missouri-demographics.com/cities by population>

operating expenses. First, the petitions involve a controversial topic that is sure to motivate multiple lawsuits by well-funded individuals and organizations dedicated to protecting the sanctity of life in Missouri. General litigation costs alone could run into the millions of dollars. Additionally, the AGO will likely have to hire conflict counsel to participate in these suits because the Attorney General has staked out a position strongly in favor of protecting the unborn, creating a positional conflict that is untenable for the Attorney General and would necessarily generate greater legal costs.

All told, any single lawsuit challenging the validity or application of these proposed amendments would cost as much as \$1.5 million based on the AGO's estimates. Even if validity was only challenged in a few cases, that would still amount to as much as \$6 million in additional legal costs in the first few years. Over the course of 10 years, the office estimates general increased litigation costs and costs associated with conflict counsel to be as much as \$15 million.

The Attorney General's Office also estimates substantial sums in attorney's fees and costs because these proposed amendments would violate fundamental conscience protections guaranteed by federal law if applied to certain Missouri workers. Private and public employees in Missouri are guaranteed conscience protections by many federal laws, such as RLUIPA and § 401(b) of the Health Programs Extension Act of 1973. The proposed amendment would violate these conscience protections with respect to certain Missouri workers, forcing the office to pay not only for conflict counsel, but also attorney's fees to lawyers asserting the federal conscience rights of individual Missourians. The office anticipates up to \$6 million in additional costs for that reason.

Conclusion

These proposed initiative petitions would subvert current state law and enshrine in Missouri's constitution the right to abort unborn children. Not only is that morally repugnant, it is fiscally irresponsible. If enacted, these proposed petitions would have a severe, negative economic impact on the State of Missouri and its political subdivisions. The lost revenue from aborting so many unborn Missourians could be as high as \$51 billion, including \$5.61 billion to "state or local governmental entities." § 116.175. Moreover, additional litigation costs for the AGO and mandatory attorney's fees could run as high as \$21 million. As the AGO continues its legal and fiscal analysis of these misguided proposals, it will update the Auditor's Office if new data becomes available.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-133 and determined there is no impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated they have reviewed Draft No. 24-130 IP through 24-134 IP and has determined that the initiative petitions, with changes, results in the same zero impact as were stated in response to initiative petition 24-129.

Changes to the bill are as follows:

The language in IP 24-130 through IP 24-134 has the same sections similar to those in IP 24-129 as it creates provisions relating to a constitutional amendment that would allow abortions under certain circumstances, reinstating the possibility of abortion facilities being allowed to operate in Missouri.

Comments:

The initiative petition for IP 24-130 through IP 24-134 is the same zero impact for IP 24-129.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-133 proposing to amend Article I.

Officials from the **Department of Revenue** indicated after a thorough review of IP 24-133, their department assumes this will not have a fiscal or administrative impact on their department or their operations. Their department also notes no impact is expected to state tax revenue from this IP.

Officials from the **Department of Public Safety** indicated no impact for their department.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to abortion does not directly financially impact their office.

Section 36.3 undermines the General Assembly's appropriation power. The constitution specifies the limitations on the General Assembly's power and that section does not specify other feasible limits upon adoption of new sections, creating a conflict with the proposed language here. Section 36.4 does not define "right to choose" as though that creates an affirmative requirement on the state to allow or perform an abortion, or to make services accessible. Section 36.4.a conflicts with free speech principles. The proposed section compels speech in order to effectuate another (proposed) constitutional right. Section 36.7 and its subsections are vague. The language is not limited explicitly limited to Missouri. This State cannot control criminal proceedings in another jurisdiction for alleged violations of the other state's law. Further, the language reads that "no person may be subject to *any* criminal prosecution" if such person performs one of the enumerated actions. One interpretation is that one may avoid criminal liability for any possible crime after having sought an abortion, regardless of other context. Due the vagueness throughout the proposal, Section 36.6 also will require interpretation to understand its full effect.

Each provision noted above creates potential litigation costs to the state through declaratory judgement actions to understand the meaning of terms, criminal proceedings (including post-trial), and civil litigation about actions taken when attempting to balance (proposed) constitutional rights. These costs will ultimately burden taxpayers.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-133 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission on initiative petition 24-133.

Officials from the **Office of Administration** indicated this proposal relating to abortion does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-133 a proposed constitutional amendment to Article I, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-133 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated in reviewing initiative petition 24-133 it has been determined there will be an increased cost to the County of Greene due to loss of tax revenue if voters vote to amend Article I.

The Missouri Department of Health & Senior Services recorded 135 "resident abortions" for Greene County in 2020 and 118 in 2021. The population of Greene County per the 2020 United States census was 298,915.

(<https://www.census.gov/quickfacts/fact/table/greene-county-missouri/PST045221>)

In terms of economic impact, Greene County received \$112,673,249 in sales and property taxes for calendar year 2022 (**\$376.94** per capita based on **2020** census data). Accordingly, calculations from these figures indicate an annual loss in population of **135** represents a cost to the County of **\$50,886.90**; an increase in abortion statistics could reasonably be extrapolated to illustrate less tax collections and revenues over the years of potential working lifetimes.

Please see the attached table demonstrating the anticipated yearly on per capita basis and the overall fiscal impact on Greene County tax collections and revenues based on the recorded abortions in 2020 by Missouri Department of Health and Senior Services.

Additional research regarding the broader fiscal impact of lower fertility rates on local and state communities and government budgets may be found here:

- <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/12/the-long-term-decline-in-fertility-and-what-it-means-for-state-budgets>

Greene County Collections in 2022	
2020 Population	298,915
Total Sales Tax Collected	126,986,094.91
Parks I	(8,226,052.01)
Parks II	(8,773,337.47)
Dan Kinney Bond from Parks I	(551,342.50)
LEST	(11,631,863.21)
Strafford TIF	(24,374.44)
Springfield Plaza TIF	(174,240.83)
Sales Tax Subtotal	97,604,884.45
Real Estate Tax	12,222,341.99
Personal Property Tax	2,846,022.58
Property Tax SubTotal	15,068,364.57
Total Taxes	112,673,249.02
Per Capita	376.94
Annual lost population	135
Annual Cost	50,886.90

Officials from **St. Louis County** indicated there would be no fiscal impact to their county as a result of this initiative petition.

Officials from the **City of Kansas City** indicated this proposed amendment has no fiscal impact on their city.

Officials from **Wellsville-Middletown R-1 School District** indicated it is unknown the estimated cost or savings this petition would have.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and do not see an impact on revenue or expense to their college.

Samuel H. Lee, Campaign Life Missouri provided the following information:



Samuel Lee
Director

September 9, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

In accordance with the provisions of [section 116.175](#), this is a proposed statement of the fiscal impact of the six initiative petitions numbered 2024-129 through 2024-134 submitted by Jamie Corley with the Missouri Women and Family Research Fund, which your office received on August 30, 2023.

To summarize, the proposed six ballot measures – all of which would amend the Missouri Constitution – could result in:

- A decrease in federal Medicaid revenues by an unknown amount, up to \$12.5 billion annually.
- Increased costs to taxpayers of unknown amounts, because of medical treatment of, or other services for, children or adults injured by abortions performed by unlicensed or untrained persons.
- Increased costs of an unknown amount to the Department of Health and Senior Services for the inspection and licensing of thousands of abortion facilities.
- Loss of revenue of unknown amounts to the state and its political subdivisions, because of boycotts of businesses, shopping, tourism or other revenue-generating activities, as a result of Missouri becoming a Midwest “abortion destination” state.
- Long-term loss of revenues of unknown amounts to the state and its political subdivisions, because of a decrease in the workforce due to the number of children who are aborted, as well as because of individuals who can no longer work after they become disabled because of unsafe abortions. But more important than fiscal costs, the human cost to Missouri’s citizens is unimaginable.

Former-Auditor Galloway made a comparable analysis of the fiscal impacts when she issued her fiscal note and fiscal note summary on [HB 126 \(20-R001 on June 19, 2019\)](#) – the subject of a referendum that year. Her fiscal note summary became part of the [official ballot title certified by Secretary of State on August 14, 2019](#), for the referendum on HB 126.

Supporting Information on Fiscal Impact of the Six Initiative Petitions:

- The loss of federal Medicaid matching dollars, which in the fiscal year 2024 budget **could be a loss of nearly \$12.5 billion.**
 - In FY 2023, Missouri lawmakers appropriated about \$16.9 billion for Medicaid (MO HealthNet) across state agencies. [The majority of Medicaid financing in 2023 – \\$10.6 billion – came from federal matching funds.](#) The governor’s budget for MO HealthNet for FY 2024 is nearly \$19.3 billion – [almost \\$12.5 billion which comes from federal funds.](#)
 - The loss of federal Medicaid matching funds could occur if Missouri is out of compliance with federal Medicaid requirements, for example:
 - If the state cuts off Medicaid reimbursements to Catholic hospitals or other pro-life health care providers. This could result from the requirement found in all six initiative petitions that there is a “fundamental right to choose to have an abortion ... in the case of ... risk to the health or safety of the female seeking an abortion.” And each of the six declares this “fundamental right” is “unalienable” and that “the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.”
 - These provisions could be interpreted to “obligate[]” the state to require Medicaid providers (including Catholic hospitals and other pro-life or faith-based health care providers) to perform or induce abortions at any time during pregnancy where there is the mere assertion (by anyone) that the abortion is necessary for “health or safety.”
 - Thus, because the right to a “health or safety” abortion is “unalienable” ([not transferable to another; not capable of being taken away or denied](#)), state government could compel recipients of public funds (e.g., Medicaid providers) to protect such a “right” as a condition of receiving public funds.
 - However, for the state government to require Catholic or other pro-life health care providers (or others) to offer, pay for or refer for abortions, would be a violation of their conscience rights – for which the federal government could withhold from the state, Medicaid matching dollars.
 - For example, in California in 2020, [HHS disallowed \\$200 million in federal Medicaid matching funds per quarter due to the state’s unlawful abortion insurance mandate](#), which forced a Catholic order of religious sisters and a non-profit Christian Church to provide abortion health insurance coverage. See also:
 - [“The Fight Over California’s Abortion Coverage Mandate,”](#) *Regulatory Review*, February 3, 2021 (“Can a state require that all health plans offered to its residents cover elective abortions? The federal government thinks not, and the state of California is poised to lose at least \$200 million in Medicaid dollars because it insists that health plans in its state cover abortion services.”)
 - [“Federal agency says UVM Med Center forced nurse to assist in abortion,”](#) *VT Digger*, August 28, 2019 (“The U.S. Department of Health and Human Services has accused the University of Vermont Medical Center of forcing a nurse to assist in an abortion procedure despite the nurse’s religious objections. ... The [letter from Roger Severino](#), the director of HHS’ Office for

Civil Rights, asks the hospital to adjust its policies or face losing the federal funding it receives from HHS.”)

- There might be additional circumstances where state compliance with at least some of the proposed constitutional amendments would force the state to be out of compliance with federal Medicaid law, such as the state paying for abortions with federal funds that are not permitted to be reimbursed under federal law. For example, the state might be compelled by the terms of some of the initiative petitions to pay for all abortions for all Medicaid-eligible females, because failing to do so might be construed as the state “deny[ing] or interfere[ing] with the fundamental right to choose to have an abortion” when the state is paying for the labor and delivery of children for all Medicaid-eligible females. In other words, under an amended state constitution, Missouri might no longer be “permitted to enact persuasive measures which favor childbirth over abortion” (*Planned Parenthood v. Casey*, 505 U.S. 833, 886 (1992)).
- Under the six initiative petitions, “no person may be subject to any criminal prosecution or civil penalty ... if such person is a health care provider performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section”. Thus, ANY person claiming to be a “health care provider” – licensed or unlicensed, trained or untrained – could legally perform, induce or assist in an abortion **with no penalties whatsoever**. **This could result in numerous, life-altering medical complications for the child or adult who underwent the abortion.** And because no civil penalties could be imposed (e.g., no payments for medical care, no recovery for economic or non-economic damages in a malpractice action, etc.), this could result in huge medical costs for the female and her child – **that would ultimately be paid for by taxpayers.**
 - Regarding abortion, in Missouri, the cost of inpatient medical procedures and emergency department services for treating “issues before childbirth with complications” is a **median charge per person of \$11,977** – with a minimum charges of \$4,140 and a **maximum charge of \$35,345**.
 - And the cost could be even higher for an abortion-related ER visit. One recent study found that a “[p]atient concealment and/or physician failure to identify a prior abortion during an ER visit is a significant risk factor for a subsequent hospital admission.” In fact, “[c]hemical abortion patients whose abortions are misclassified as miscarriages during an ER visit subsequently experience on average 3.2 hospital admissions within 30 days. 86% of the patients ultimately have surgical removal of retained products of conception (RPOC).”
 - According to the CDC, in 2020, nearly 10,000 Missouri residents obtained abortions (9,980 total, but only 167 within the state). Having unlicensed, non-medical personnel permitted to perform or induce abortions within the state on even a fraction of these 10,000 girls or women could result in untold harm to them now – and harm to their future health and fertility.
 - And there might be additional costs to the state, local governments, school districts, etc., beyond treating the complications to girls or women from having abortions performed, induced or “assisted” on them by non-physicians or by a broad range of undefined or self-described “health care providers.” Any low-birthweight infant born

- alive after a late-term abortion could need long-term NICU care and possibly permanent assistance throughout childhood and during his or her adult life.
- According to a [2020 New York Times story](#): “The March of Dimes estimates that the average societal cost of each preterm birth, which includes medical care, early intervention services and lost productivity, is \$65,000.”
 - That same story reported on a cost of \$4 million in NICU costs for triplets who were born prematurely.
 - [Preterm birth lifetime costs in the United States](#) (as of 2016) were “estimated to be \$25.2 billion: \$17.1 billion for medical care of persons born preterm, \$2.0 billion for delivery care, \$1.3 billion for early intervention and special education, and \$4.8 billion in lost productivity due to associated disabilities in adults.”
- **Other costs could be the licensing and inspection of multiple locations (potentially thousands of sites) as “abortion facilities,” as required under Missouri law.** [Section 197.205](#) requires that no person or governmental unit shall establish, conduct or maintain an abortion facility in the state without a license issued by the Missouri Department of Health and Senior Services (DHSS). And because each of the six initiative petitions state that “[n]othing in this section [36 of Article I] shall be construed to repeal any law existing at the time of its passage unless such existing law directly conflicts with any provision of this section,” then DHSS would be obligated to enforce section 197.205 – while no longer being permitted to enforce the “directly conflict[ing]” “existing law[s]” requiring that an abortion can only be performed or induced by a physician.
 - [Section 188.015](#) defines an “abortion facility” as “a clinic, physician’s office, or any other place or facility in which abortions are performed or induced other than a hospital”.
 - [Section 197.230](#) states that “[i]n the case of any abortion facility, the department [of health and senior services (DHSS)] shall make or cause to be made an unannounced on-site inspection and investigation at least annually.” Such on-site inspections and investigations must include a variety of areas relating to staffing and equipment to respond to medical emergencies, compliance with Missouri’s abortion laws and the requirement that continuous physician services or registered professional nursing services are to be provided whenever a patient is in the facility.
 - There are [more than 7,000 licensed pharmacists in Missouri](#), and under the proposed constitutional amendments, any pharmacy (or other place) where a pharmacist provides abortion pills, DHSS would be required to inspect and license. **This would be an enormous cost to the department and to taxpayers.** And any other place where abortion pills would be provided (homes, schools, vending machines, clinics, etc.) would also have to be inspected at least once a year and licensed.
 - **Economic boycotts of Missouri and its businesses could result if the “Show-Me” state becomes the “Abort-Me” state, once it is transformed into a Midwest “abortion destination” – a distinct possibility since Missouri is [“within a day’s reach of half of U.S. households”](#).**

- Just as [some pro-abortion advocates in other states are promoting boycotts of states like Missouri that currently protect unborn children from abortion](#), pro-life advocates in other states might boycott by no longer purchasing from Missouri businesses, or engaging in travel, tourism or shopping in Missouri. How tragic that would be for Missouri, which has been described as [one of the top pro-life states in the country](#).
 - Some “red” states have been prohibiting or attempting to prohibit their [governmental entities from doing business with financial firms in other states that take environmental, social and corporate governance \(ESG\) into consideration](#), and those same states and additional ones might extend that to any “abortion destination” state – which is what Missouri could become if any one of the six initiative petitions is enacted into law.
 - “[Missouri tourism provides a \\$13.5 billion economic impact that creates more than 257,000 jobs in the state](#),” according to the [Missouri Division of Tourism](#). It could be a devastating loss to the state and its residents if Missouri became the abortion capital of the Midwest.
- By some estimates, the economic cost to the U.S. of abortion in 2019 – due to the loss of nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of GDP. **Missouri could experience increased economic loss if the number of abortions increases in the state.** And unsafe, legal abortions in the state could result in the disability of countless women who – perhaps permanently – would be unable to enter or remain in the workforce.
 - According to a June 15, 2022, report of the [Joint Economic Committee](#) (JEC) Republicans – [The Economic Cost of Abortion](#) – “the economic cost of abortion due to the loss of unborn lives is 425 times larger than the earnings loss mothers would be expected to incur when having a child.”
 - According to a key finding in the report: “In the long run, abortion shrinks the labor force, stunts innovation, and limits economic growth. It also weakens the solvency of social insurance programs like Social Security and Medicare that rely on workers to support a growing elderly population.”
 - And as the [International Planned Parenthood Federation has noted](#): “**Unsafe abortions** are performed by un- or under-trained providers ... It is possible to have an unsafe, legal abortion.” (underlining added)
 - Under all six initiative petitions, “[n]otwithstanding any other provision of law to the contrary, no person may be subject to any criminal prosecution or civil penalty ... if such person is a health care provider performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section”.
 - Thus, an unlicensed, untrained, undefined or otherwise self-described “health care provider” of ANY age would have the right to perform or induce unsafe, legal abortions (or assist in them) “and the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.” While the economic cost of such a policy is incalculable, more important and horrifying, the human cost to Missouri’s citizens – born and unborn – is unimaginable.

Auditor Fitzpatrick, if we can be of further assistance, please do not hesitate to contact us.

Sam



Samuel H. Lee
Campaign Life Missouri
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Twitter: [@samuelhlee](https://twitter.com/samuelhlee)



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The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, State Technical College of Missouri, and University of Missouri.**

Fiscal Note Summary

The Attorney General's office and opponents estimate a potentially significant loss to state and local revenue. The Attorney General's office estimates increased state litigation costs of up to \$21 million. Other state governmental entities estimate no costs or savings. Local governments estimate reduced revenue of at least \$51,000 annually.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

August 30, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED
AUG 30 2023
STATE AUDITORS OFFICE

RE: Petition approval request from Jamie Corley regarding a proposed constitutional amendment to Article I, version 4 (2024-132)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Jamie Corley on August 30, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures) _____
Printed Name of Affiant _____

Street Address of Affiant _____
City, State and Zip Code of Affiant _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary _____ Address of Notary _____ (Seal)

NOTICE: The proposed amendment revises Article I of the Constitution by adopting one new section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article I of the Constitution is revised by adopting one new Section to be known as Article I, Section 36 to read as follows:

Section 36. 1. The state shall not deny or interfere with the fundamental right to refuse to have an abortion.

2. The state shall not deny or interfere with the fundamental right to refuse contraceptives.

3. Notwithstanding any other provision of law to the contrary, no taxpayer funds shall be directed, appropriated, or used in support of the provision of abortion in this state. This subsection does not authorize the general assembly to refuse to appropriate funds to a health care provider in this state if such health care provider performs abortions.

4. The state shall not deny or interfere with the fundamental right to choose to have an abortion in the case of rape or sexual assault, incest, fatal fetal abnormality, or risk to the health or safety of the female seeking an abortion.

a. In the event of a rape or sexual assault, no abortion shall be performed unless the alleged rape or sexual assault has been reported to a rape or sexual assault crisis hotline.

5. Notwithstanding subsection 4 of this section, the state shall not deny or interfere with the fundamental right to choose to have an abortion through a gestational age of twelve weeks.

6. The state shall not deny or interfere with the fundamental right to choose contraceptives.

7. Nothing in this section shall be construed to repeal any law existing at the time of its passage unless such existing law directly conflicts with any provision of this section.

8. Notwithstanding any other provision of law to the contrary, no person may be subject to any criminal prosecution or civil penalty:

a. if such person is a pregnant female and induces, seeks, or obtains an abortion in this or any state;

b. if such person is a health care provider performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section; or

c. if such person assists or provides support to a pregnant female in obtaining an abortion in this or any state.

9. Notwithstanding any other provision of law to the contrary, no taxpayer funds shall be directed, appropriated, or used in support of the criminal prosecution of:

a. any pregnant female for inducing, seeking, or obtaining an abortion;

b. any health care provider for performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section; or

c. any person for assisting or providing support to a pregnant female in obtaining an abortion.

10. The rights guaranteed by this section shall be unalienable. Any restriction on these rights shall be subject to strict scrutiny and the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-132)**

Subject

Initiative petition from Jamie Corley regarding a proposed constitutional amendment to Article I. (Received August 30, 2023)

Date

September 19, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Samuel H. Lee, Campaign Life Missouri provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated:

TO: Sheri Hoffman

DATE: September 8, 2023

FROM: Diana Haines

Fiscal Note: Initiative petition – Proposed constitutional amendment to Article I (2024-132)

The proposed amendment to Article I would add the “fundamental right to choose to have an abortion” to Missouri’s constitution. It would abrogate Missouri’s recently enacted Right to Life of the Unborn Child Act and enshrine in our state constitution the right to terminate the lives of unborn Missourians. The Missouri Attorney General’s Office expects that the enactment of this proposal would result in a significant fiscal impact to the state.

Analysis

Enshrining abortion rights in our state constitution will have an adverse fiscal impact on Missouri as a whole, and on the state’s political subdivisions. Additionally, the proposed petitions would also trigger significant additional legal costs because they will certainly give rise to legal challenges in which the Attorney General’s Office would be involved.

I. The proposed petitions will have an adverse fiscal impact on Missouri and its political subdivisions

This ballot measure will affect the present and future population of all of Missouri’s 114 counties, and her hundreds of cities, townships and villages. For example, in commenting on the fiscal impact of a similar initiative petition, Greene County recognized the adverse fiscal impact of abortion as it relates to a decreased population. Greene County estimated that 135 future citizens would be lost annually due to legalizing abortion. Greene County’s estimates were supported by fertility rates and the number of

abortions recorded in 2020 by the Missouri Department of Health and Senior Services. Greene County estimated nearly \$51,000 in lost revenue annually to that county based on the reduction in population base. Moreover, this annual dollar amount necessarily increases cumulatively in successive years. (e.g., \$102,000 in year 2, \$153,000 in year 3, \$204,000 in year 4, etc.).

The economic loss to Missouri is not limited to Greene County. The widespread economic devastation created by abortion is supported by a nationwide study published by the United States Senate Joint Economic Committee. See

<https://www.jec.senate.gov/public/index.cfm/republicans/2022/6/the-economic-cost-of-abortion>. It reports an estimated economic cost of abortion in 2019 alone, due to nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of the GDP. A fiscal note must “state the measure’s estimated cost or savings, if any, to state or local governmental entities.” § 116.175, RSMo. The budget for “state [and] local governmental entities” is 11% of the total Missouri economy, according to a 2021 report by the Missouri Economic Research and Information Center. Based on the Senate study and 4,660 abortions in Missouri in 2019,¹ the total economic loss to Missouri from these measures could be as high as \$51 billion, meaning loss to “state or local government entities” would be as high as \$5.61 billion.

That magnitude of economic loss will adversely impact every political subdivision in the state. Indeed, the more populous a region, the greater the economic harm from an aborted population will be. St. Louis City, Jackson County, St. Louis County and Kansas City will be hit hardest of all. These four geographic areas account for approximately one-third of Missouri’s total population.² Based on the numbers cited above, the economic harm to Missouri’s most populous areas is expected to be close to \$17 billion. This type of substantial economic loss attributable to aborting unborn lives cannot be denied and must be included in any fiscal analysis informing voters of the true impact of this proposed initiative petition.

II. The proposed petitions will increase legal costs for the Attorney General’s Office

The Attorney General’s Office (AGO) would also incur substantial legal costs relating to the proposed petitions, including additional costs to general

¹ <https://health.mo.gov/data/vitalstatistics/mvs19/Table12ab.pdf>.

² See <https://www.missouri-demographics.com/cities by population>

operating expenses. First, the petitions involve a controversial topic that is sure to motivate multiple lawsuits by well-funded individuals and organizations dedicated to protecting the sanctity of life in Missouri. General litigation costs alone could run into the millions of dollars. Additionally, the AGO will likely have to hire conflict counsel to participate in these suits because the Attorney General has staked out a position strongly in favor of protecting the unborn, creating a positional conflict that is untenable for the Attorney General and would necessarily generate greater legal costs.

All told, any single lawsuit challenging the validity or application of these proposed amendments would cost as much as \$1.5 million based on the AGO's estimates. Even if validity was only challenged in a few cases, that would still amount to as much as \$6 million in additional legal costs in the first few years. Over the course of 10 years, the office estimates general increased litigation costs and costs associated with conflict counsel to be as much as \$15 million.

The Attorney General's Office also estimates substantial sums in attorney's fees and costs because these proposed amendments would violate fundamental conscience protections guaranteed by federal law if applied to certain Missouri workers. Private and public employees in Missouri are guaranteed conscience protections by many federal laws, such as RLUIPA and § 401(b) of the Health Programs Extension Act of 1973. The proposed amendment would violate these conscience protections with respect to certain Missouri workers, forcing the office to pay not only for conflict counsel, but also attorney's fees to lawyers asserting the federal conscience rights of individual Missourians. The office anticipates up to \$6 million in additional costs for that reason.

Conclusion

These proposed initiative petitions would subvert current state law and enshrine in Missouri's constitution the right to abort unborn children. Not only is that morally repugnant, it is fiscally irresponsible. If enacted, these proposed petitions would have a severe, negative economic impact on the State of Missouri and its political subdivisions. The lost revenue from aborting so many unborn Missourians could be as high as \$51 billion, including \$5.61 billion to "state or local governmental entities." § 116.175. Moreover, additional litigation costs for the AGO and mandatory attorney's fees could run as high as \$21 million. As the AGO continues its legal and fiscal analysis of these misguided proposals, it will update the Auditor's Office if new data becomes available.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-132 and determined there is no impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated they have reviewed Draft No. 24-130 IP through 24-134 IP and has determined that the initiative petitions, with changes, results in the same zero impact as were stated in response to initiative petition 24-129.

Changes to the bill are as follows:

The language in IP 24-130 through IP 24-134 has the same sections similar to those in IP 24-129 as it creates provisions relating to a constitutional amendment that would allow abortions under certain circumstances, reinstating the possibility of abortion facilities being allowed to operate in Missouri.

Comments:

The initiative petition for IP 24-130 through IP 24-134 is the same zero impact for IP 24-129.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-132 proposing to amend Article I.

Officials from the **Department of Revenue** indicated after a thorough review of IP 24-132, their department assumes this will not have a fiscal or administrative impact on their department or their operations. Their department also notes no impact is expected to state tax revenue from this IP.

Officials from the **Department of Public Safety** indicated no impact for their department.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to abortion does not directly finally impact their office.

Section 36.3 undermines the General Assembly's appropriation power. The constitution specifies the limitations on the General Assembly's power and that section does not specify other feasible limits upon adoption of new sections, creating a conflict with the proposed language here. Section 36.4 does not define "right to choose" as though that creates an affirmative requirement on the state to allow or perform an abortion, or to make services accessible. Section 36.4.a conflicts with free speech principles. The proposed section compels speech in order to effectuate another (proposed) constitutional right. Section 36.8 and its subsections are vague. The language is not limited explicitly limited to Missouri. This State cannot control criminal proceedings in another jurisdiction for alleged violations of the other state's law. Further, the language reads that "no person may be subject to *any* criminal prosecution" if such person performs one of the enumerated actions. One interpretation is that one may avoid criminal liability for any possible crime after having sought an abortion, regardless of other context. Due the vagueness throughout the proposal, Section 36.7 also will require interpretation to understand its full effect.

Each provision noted above creates potential litigation costs to the state through declaratory judgement actions to understand the meaning of terms, criminal proceedings (including post-trial), and civil litigation about actions taken when attempting to balance (proposed) constitutional rights. These costs will ultimately burden taxpayers.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-132 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission on initiative petition 24-132.

Officials from the **Office of Administration** indicated this proposal relating to abortion does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-132 a proposed constitutional amendment to Article I, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-132 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated in reviewing initiative petition 24-132 it has been determined there will be an increased cost to the County of Greene due to loss of tax revenue if voters vote to amend Article I.

The Missouri Department of Health & Senior Services recorded 135 "resident abortions" for Greene County in 2020 and 118 in 2021. The population of Greene County per the 2020 United States census was 298,915.

(<https://www.census.gov/quickfacts/fact/table/greencountymissouri/PST045221>)

In terms of economic impact, Greene County received \$112,673,249 in sales and property taxes for calendar year 2022 (**\$376.94** per capita based on **2020** census data). Accordingly, calculations from these figures indicate an annual loss in population of **135** represents a cost to the County of **\$50,886.90**; an increase in abortion statistics could reasonably be extrapolated to illustrate less tax collections and revenues over the years of potential working lifetimes.

Please see the attached table demonstrating the anticipated yearly on per capita basis and the overall fiscal impact on Greene County tax collections and revenues based on the recorded abortions in 2020 by Missouri Department of Health and Senior Services.

Additional research regarding the broader fiscal impact of lower fertility rates on local and state communities and government budgets may be found here:

- <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/12/the-long-term-decline-in-fertility-and-what-it-means-for-state-budgets>

Greene County Collections in 2022	
2020 Population	298,915
Total Sales Tax Collected	126,986,094.91
Parks I	(8,226,052.01)
Parks II	(8,773,337.47)
Dan Kinney Bond from Parks I	(551,342.50)
LEST	(11,631,863.21)
Strafford TIF	(24,374.44)
Springfield Plaza TIF	(174,240.83)
Sales Tax Subtotal	97,604,884.45
Real Estate Tax	12,222,341.99
Personal Property Tax	2,846,022.58
Property Tax SubTotal	15,068,364.57
Total Taxes	112,673,249.02
Per Capita	376.94
Annual lost population	135
Annual Cost	50,886.90

Officials from **St. Louis County** indicated there would be no fiscal impact to their county as a result of this initiative petition.

Officials from the **City of Kansas City** indicated this proposed amendment has no fiscal impact on their city.

Officials from **Wellsville-Middletown R-1 School District** indicated it is unknown the estimated cost or savings this petition would have.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and do not see an impact on revenue or expense to their college.

Samuel H. Lee, Campaign Life Missouri provided the following information:



Samuel Lee
Director

September 9, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

In accordance with the provisions of [section 116.175](#), this is a proposed statement of the fiscal impact of the six initiative petitions numbered 2024-129 through 2024-134 submitted by Jamie Corley with the Missouri Women and Family Research Fund, which your office received on August 30, 2023.

To summarize, the proposed six ballot measures – all of which would amend the Missouri Constitution – could result in:

- A decrease in federal Medicaid revenues by an unknown amount, up to \$12.5 billion annually.
- Increased costs to taxpayers of unknown amounts, because of medical treatment of, or other services for, children or adults injured by abortions performed by unlicensed or untrained persons.
- Increased costs of an unknown amount to the Department of Health and Senior Services for the inspection and licensing of thousands of abortion facilities.
- Loss of revenue of unknown amounts to the state and its political subdivisions, because of boycotts of businesses, shopping, tourism or other revenue-generating activities, as a result of Missouri becoming a Midwest “abortion destination” state.
- Long-term loss of revenues of unknown amounts to the state and its political subdivisions, because of a decrease in the workforce due to the number of children who are aborted, as well as because of individuals who can no longer work after they become disabled because of unsafe abortions. But more important than fiscal costs, the human cost to Missouri’s citizens is unimaginable.

Former-Auditor Galloway made a comparable analysis of the fiscal impacts when she issued her fiscal note and fiscal note summary on [HB 126 \(20-R001 on June 19, 2019\)](#) – the subject of a referendum that year. Her fiscal note summary became part of the [official ballot title certified by Secretary of State on August 14, 2019](#), for the referendum on HB 126.

Supporting Information on Fiscal Impact of the Six Initiative Petitions:

- The loss of federal Medicaid matching dollars, which in the fiscal year 2024 budget **could be a loss of nearly \$12.5 billion.**
 - In FY 2023, Missouri lawmakers appropriated about \$16.9 billion for Medicaid (MO HealthNet) across state agencies. [The majority of Medicaid financing in 2023 – \\$10.6 billion – came from federal matching funds.](#) The governor’s budget for MO HealthNet for FY 2024 is nearly \$19.3 billion – [almost \\$12.5 billion which comes from federal funds.](#)
 - The loss of federal Medicaid matching funds could occur if Missouri is out of compliance with federal Medicaid requirements, for example:
 - If the state cuts off Medicaid reimbursements to Catholic hospitals or other pro-life health care providers. This could result from the requirement found in all six initiative petitions that there is a “fundamental right to choose to have an abortion ... in the case of ... risk to the health or safety of the female seeking an abortion.” And each of the six declares this “fundamental right” is “unalienable” and that “the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.”
 - These provisions could be interpreted to “obligate[]” the state to require Medicaid providers (including Catholic hospitals and other pro-life or faith-based health care providers) to perform or induce abortions at any time during pregnancy where there is the mere assertion (by anyone) that the abortion is necessary for “health or safety.”
 - Thus, because the right to a “health or safety” abortion is “unalienable” ([not transferable to another; not capable of being taken away or denied](#)), state government could compel recipients of public funds (e.g., Medicaid providers) to protect such a “right” as a condition of receiving public funds.
 - However, for the state government to require Catholic or other pro-life health care providers (or others) to offer, pay for or refer for abortions, would be a violation of their conscience rights – for which the federal government could withhold from the state, Medicaid matching dollars.
 - For example, in California in 2020, [HHS disallowed \\$200 million in federal Medicaid matching funds per quarter due to the state’s unlawful abortion insurance mandate](#), which forced a Catholic order of religious sisters and a non-profit Christian Church to provide abortion health insurance coverage. See also:
 - [“The Fight Over California’s Abortion Coverage Mandate,”](#) *Regulatory Review*, February 3, 2021 (“Can a state require that all health plans offered to its residents cover elective abortions? The federal government thinks not, and the state of California is poised to lose at least \$200 million in Medicaid dollars because it insists that health plans in its state cover abortion services.”)
 - [“Federal agency says UVM Med Center forced nurse to assist in abortion,”](#) *VT Digger*, August 28, 2019 (“The U.S. Department of Health and Human Services has accused the University of Vermont Medical Center of forcing a nurse to assist in an abortion procedure despite the nurse’s religious objections. ... The [letter from Roger Severino](#), the director of HHS’ Office for

Civil Rights, asks the hospital to adjust its policies or face losing the federal funding it receives from HHS.”)

- There might be additional circumstances where state compliance with at least some of the proposed constitutional amendments would force the state to be out of compliance with federal Medicaid law, such as the state paying for abortions with federal funds that are not permitted to be reimbursed under federal law. For example, the state might be compelled by the terms of some of the initiative petitions to pay for all abortions for all Medicaid-eligible females, because failing to do so might be construed as the state “deny[ing] or interfere[ing] with the fundamental right to choose to have an abortion” when the state is paying for the labor and delivery of children for all Medicaid-eligible females. In other words, under an amended state constitution, Missouri might no longer be “permitted to enact persuasive measures which favor childbirth over abortion” (*Planned Parenthood v. Casey*, 505 U.S. 833, 886 (1992)).
- Under the six initiative petitions, “no person may be subject to any criminal prosecution or civil penalty ... if such person is a health care provider performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section”. Thus, ANY person claiming to be a “health care provider” – licensed or unlicensed, trained or untrained – could legally perform, induce or assist in an abortion **with no penalties whatsoever**. **This could result in numerous, life-altering medical complications for the child or adult who underwent the abortion.** And because no civil penalties could be imposed (e.g., no payments for medical care, no recovery for economic or non-economic damages in a malpractice action, etc.), this could result in huge medical costs for the female and her child – **that would ultimately be paid for by taxpayers.**
 - Regarding abortion, in Missouri, the cost of inpatient medical procedures and emergency department services for treating “issues before childbirth with complications” is a **median charge per person of \$11,977** – with a minimum charges of \$4,140 and a **maximum charge of \$35,345**.
 - And the cost could be even higher for an abortion-related ER visit. One recent study found that a “[p]atient concealment and/or physician failure to identify a prior abortion during an ER visit is a significant risk factor for a subsequent hospital admission.” In fact, “[c]hemical abortion patients whose abortions are misclassified as miscarriages during an ER visit subsequently experience on average 3.2 hospital admissions within 30 days. 86% of the patients ultimately have surgical removal of retained products of conception (RPOC).”
 - According to the CDC, in 2020, nearly 10,000 Missouri residents obtained abortions (9,980 total, but only 167 within the state). Having unlicensed, non-medical personnel permitted to perform or induce abortions within the state on even a fraction of these 10,000 girls or women could result in untold harm to them now – and harm to their future health and fertility.
 - And there might be additional costs to the state, local governments, school districts, etc., beyond treating the complications to girls or women from having abortions performed, induced or “assisted” on them by non-physicians or by a broad range of undefined or self-described “health care providers.” Any low-birthweight infant born

- alive after a late-term abortion could need long-term NICU care and possibly permanent assistance throughout childhood and during his or her adult life.
- According to a [2020 New York Times story](#): “The March of Dimes estimates that the average societal cost of each preterm birth, which includes medical care, early intervention services and lost productivity, is \$65,000.”
 - That same story reported on a cost of \$4 million in NICU costs for triplets who were born prematurely.
 - [Preterm birth lifetime costs in the United States](#) (as of 2016) were “estimated to be \$25.2 billion: \$17.1 billion for medical care of persons born preterm, \$2.0 billion for delivery care, \$1.3 billion for early intervention and special education, and \$4.8 billion in lost productivity due to associated disabilities in adults.”
- **Other costs could be the licensing and inspection of multiple locations (potentially thousands of sites) as “abortion facilities,” as required under Missouri law.** [Section 197.205](#) requires that no person or governmental unit shall establish, conduct or maintain an abortion facility in the state without a license issued by the Missouri Department of Health and Senior Services (DHSS). And because each of the six initiative petitions state that “[n]othing in this section [36 of Article I] shall be construed to repeal any law existing at the time of its passage unless such existing law directly conflicts with any provision of this section,” then DHSS would be obligated to enforce section 197.205 – while no longer being permitted to enforce the “directly conflict[ing]” “existing law[s]” requiring that an abortion can only be performed or induced by a physician.
 - [Section 188.015](#) defines an “abortion facility” as “a clinic, physician’s office, or any other place or facility in which abortions are performed or induced other than a hospital”.
 - [Section 197.230](#) states that “[i]n the case of any abortion facility, the department [of health and senior services (DHSS)] shall make or cause to be made an unannounced on-site inspection and investigation at least annually.” Such on-site inspections and investigations must include a variety of areas relating to staffing and equipment to respond to medical emergencies, compliance with Missouri’s abortion laws and the requirement that continuous physician services or registered professional nursing services are to be provided whenever a patient is in the facility.
 - There are [more than 7,000 licensed pharmacists in Missouri](#), and under the proposed constitutional amendments, any pharmacy (or other place) where a pharmacist provides abortion pills, DHSS would be required to inspect and license. **This would be an enormous cost to the department and to taxpayers.** And any other place where abortion pills would be provided (homes, schools, vending machines, clinics, etc.) would also have to be inspected at least once a year and licensed.
 - **Economic boycotts of Missouri and its businesses could result if the “Show-Me” state becomes the “Abort-Me” state, once it is transformed into a Midwest “abortion destination” – a distinct possibility since Missouri is [“within a day’s reach of half of U.S. households”](#).**

- Just as [some pro-abortion advocates in other states are promoting boycotts of states like Missouri that currently protect unborn children from abortion](#), pro-life advocates in other states might boycott by no longer purchasing from Missouri businesses, or engaging in travel, tourism or shopping in Missouri. How tragic that would be for Missouri, which has been described as [one of the top pro-life states in the country](#).
 - Some “red” states have been prohibiting or attempting to prohibit their [governmental entities from doing business with financial firms in other states that take environmental, social and corporate governance \(ESG\) into consideration](#), and those same states and additional ones might extend that to any “abortion destination” state – which is what Missouri could become if any one of the six initiative petitions is enacted into law.
 - “[Missouri tourism provides a \\$13.5 billion economic impact that creates more than 257,000 jobs in the state](#),” according to the [Missouri Division of Tourism](#). It could be a devastating loss to the state and its residents if Missouri became the abortion capital of the Midwest.
- By some estimates, the economic cost to the U.S. of abortion in 2019 – due to the loss of nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of GDP. **Missouri could experience increased economic loss if the number of abortions increases in the state.** And unsafe, legal abortions in the state could result in the disability of countless women who – perhaps permanently – would be unable to enter or remain in the workforce.
 - According to a June 15, 2022, report of the [Joint Economic Committee](#) (JEC) Republicans – [The Economic Cost of Abortion](#) – “the economic cost of abortion due the loss of unborn lives is 425 times larger than the earnings loss mothers would be expected to incur when having a child.”
 - According to a key finding in the report: “In the long run, abortion shrinks the labor force, stunts innovation, and limits economic growth. It also weakens the solvency of social insurance programs like Social Security and Medicare that rely on workers to support a growing elderly population.”
 - And as the [International Planned Parenthood Federation has noted](#): “**Unsafe abortions** are performed by un- or under-trained providers ... It is possible to have an unsafe, legal abortion.” (underlining added)
 - Under all six initiative petitions, “[n]otwithstanding any other provision of law to the contrary, no person may be subject to any criminal prosecution or civil penalty ... if such person is a health care provider performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section”.
 - Thus, an unlicensed, untrained, undefined or otherwise self-described “health care provider” of ANY age would have the right to perform or induce unsafe, legal abortions (or assist in them) “and the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.” While the economic cost of such a policy is incalculable, more important and horrifying, the human cost to Missouri’s citizens – born and unborn – is unimaginable.

Auditor Fitzpatrick, if we can be of further assistance, please do not hesitate to contact us.

Sam



Samuel H. Lee
Campaign Life Missouri
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St. Louis, MO 63114-0585
(314) 368-4242

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Twitter: [@samuelhlee](https://twitter.com/samuelhlee)



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The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, State Technical College of Missouri, and University of Missouri.**

Fiscal Note Summary

The Attorney General's office and opponents estimate a potentially significant loss to state and local revenue. The Attorney General's office estimates increased state litigation costs of up to \$21 million. Other state governmental entities estimate no costs or savings. Local governments estimate reduced revenue of at least \$51,000 annually.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

August 30, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

AUG 30 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Jamie Corley regarding a proposed constitutional amendment to Article I, version 3 (2024-131)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Jamie Corley on August 30, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____, I, _____, being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article I of the Constitution by adopting one new section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article I of the Constitution is revised by adopting one new Section to be known as Article I, Section 36 to read as follows:

Section 36. 1. The state shall not deny or interfere with the fundamental right to refuse to have an abortion.

2. The state shall not deny or interfere with the fundamental right to refuse contraceptives.

3. Notwithstanding any other provision of law to the contrary, no taxpayer funds shall be directed, appropriated, or used in support of the provision of abortion in this state. This subsection does not authorize the general assembly to refuse to appropriate funds to a health care provider in this state if such health care provider performs abortions.

4. The state shall not deny or interfere with the fundamental right to choose to have an abortion in the case of rape or sexual assault, incest, fatal fetal abnormality, or risk to the health or safety of the female seeking an abortion.

a. In the event of a rape or sexual assault, no abortion shall be performed unless the alleged rape or sexual assault has been reported to a rape or sexual assault crisis hotline.

5. The state shall not deny or interfere with the fundamental right to choose contraceptives.

6. Nothing in this section shall be construed to repeal any law existing at the time of its passage unless such existing law directly conflicts with any provision of this section.

7. Notwithstanding any other provision of law to the contrary, no person may be subject to any criminal prosecution or civil penalty:

a. if such person is a pregnant female and induces, seeks, or obtains an abortion in this or any state;

b. if such person is a health care provider performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section; or

c. if such person assists or provides support to a pregnant female in obtaining an abortion in this or any state.

8. Notwithstanding any other provision of law to the contrary, no taxpayer funds shall be directed, appropriated, or used in support of the criminal prosecution of:

a. any pregnant female for inducing, seeking, or obtaining an abortion;

b. any health care provider for performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section; or

c. any person for assisting or providing support to a pregnant female in obtaining an abortion.

9. The rights guaranteed by this section shall be unalienable. Any restriction on these rights shall be subject to strict scrutiny and the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-131)**

Subject

Initiative petition from Jamie Corley regarding a proposed constitutional amendment to Article I. (Received August 30, 2023)

Date

September 19, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Samuel H. Lee, Campaign Life Missouri provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated:

TO: Sheri Hoffman

DATE: September 8, 2023

FROM: Diana Haines

Fiscal Note: Initiative petition – Proposed constitutional amendment to Article I (2024-131)

The proposed amendment to Article I would add the “fundamental right to choose to have an abortion” to Missouri’s constitution. It would abrogate Missouri’s recently enacted Right to Life of the Unborn Child Act and enshrine in our state constitution the right to terminate the lives of unborn Missourians. The Missouri Attorney General’s Office expects that the enactment of this proposal would result in a significant fiscal impact to the state.

Analysis

Enshrining abortion rights in our state constitution will have an adverse fiscal impact on Missouri as a whole, and on the state’s political subdivisions. Additionally, the proposed petitions would also trigger significant additional legal costs because they will certainly give rise to legal challenges in which the Attorney General’s Office would be involved.

I. The proposed petitions will have an adverse fiscal impact on Missouri and its political subdivisions

This ballot measure will affect the present and future population of all of Missouri’s 114 counties, and her hundreds of cities, townships and villages. For example, in commenting on the fiscal impact of a similar initiative petition, Greene County recognized the adverse fiscal impact of abortion as it relates to a decreased population. Greene County estimated that 135 future citizens would be lost annually due to legalizing abortion. Greene County’s estimates were supported by fertility rates and the number of

abortions recorded in 2020 by the Missouri Department of Health and Senior Services. Greene County estimated nearly \$51,000 in lost revenue annually to that county based on the reduction in population base. Moreover, this annual dollar amount necessarily increases cumulatively in successive years. (e.g., \$102,000 in year 2, \$153,000 in year 3, \$204,000 in year 4, etc.).

The economic loss to Missouri is not limited to Greene County. The widespread economic devastation created by abortion is supported by a nationwide study published by the United States Senate Joint Economic Committee. See

<https://www.jec.senate.gov/public/index.cfm/republicans/2022/6/the-economic-cost-of-abortion>. It reports an estimated economic cost of abortion in 2019 alone, due to nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of the GDP. A fiscal note must “state the measure’s estimated cost or savings, if any, to state or local governmental entities.” § 116.175, RSMo. The budget for “state [and] local governmental entities” is 11% of the total Missouri economy, according to a 2021 report by the Missouri Economic Research and Information Center. Based on the Senate study and 4,660 abortions in Missouri in 2019,¹ the total economic loss to Missouri from these measures could be as high as \$51 billion, meaning loss to “state or local government entities” would be as high as \$5.61 billion.

That magnitude of economic loss will adversely impact every political subdivision in the state. Indeed, the more populous a region, the greater the economic harm from an aborted population will be. St. Louis City, Jackson County, St. Louis County and Kansas City will be hit hardest of all. These four geographic areas account for approximately one-third of Missouri’s total population.² Based on the numbers cited above, the economic harm to Missouri’s most populous areas is expected to be close to \$17 billion. This type of substantial economic loss attributable to aborting unborn lives cannot be denied and must be included in any fiscal analysis informing voters of the true impact of this proposed initiative petition.

II. The proposed petitions will increase legal costs for the Attorney General’s Office

The Attorney General’s Office (AGO) would also incur substantial legal costs relating to the proposed petitions, including additional costs to general

¹ <https://health.mo.gov/data/vitalstatistics/mvs19/Table12ab.pdf>.

² See <https://www.missouri-demographics.com/cities by population>

operating expenses. First, the petitions involve a controversial topic that is sure to motivate multiple lawsuits by well-funded individuals and organizations dedicated to protecting the sanctity of life in Missouri. General litigation costs alone could run into the millions of dollars. Additionally, the AGO will likely have to hire conflict counsel to participate in these suits because the Attorney General has staked out a position strongly in favor of protecting the unborn, creating a positional conflict that is untenable for the Attorney General and would necessarily generate greater legal costs.

All told, any single lawsuit challenging the validity or application of these proposed amendments would cost as much as \$1.5 million based on the AGO's estimates. Even if validity was only challenged in a few cases, that would still amount to as much as \$6 million in additional legal costs in the first few years. Over the course of 10 years, the office estimates general increased litigation costs and costs associated with conflict counsel to be as much as \$15 million.

The Attorney General's Office also estimates substantial sums in attorney's fees and costs because these proposed amendments would violate fundamental conscience protections guaranteed by federal law if applied to certain Missouri workers. Private and public employees in Missouri are guaranteed conscience protections by many federal laws, such as RLUIPA and § 401(b) of the Health Programs Extension Act of 1973. The proposed amendment would violate these conscience protections with respect to certain Missouri workers, forcing the office to pay not only for conflict counsel, but also attorney's fees to lawyers asserting the federal conscience rights of individual Missourians. The office anticipates up to \$6 million in additional costs for that reason.

Conclusion

These proposed initiative petitions would subvert current state law and enshrine in Missouri's constitution the right to abort unborn children. Not only is that morally repugnant, it is fiscally irresponsible. If enacted, these proposed petitions would have a severe, negative economic impact on the State of Missouri and its political subdivisions. The lost revenue from aborting so many unborn Missourians could be as high as \$51 billion, including \$5.61 billion to "state or local governmental entities." § 116.175. Moreover, additional litigation costs for the AGO and mandatory attorney's fees could run as high as \$21 million. As the AGO continues its legal and fiscal analysis of these misguided proposals, it will update the Auditor's Office if new data becomes available.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-131 and determined there is no impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated they have reviewed Draft No. 24-130 IP through 24-134 IP and have determined that the initiative petitions, with changes, results in the same zero impact as were stated in response to initiative petition 24-129.

Changes to the bill are as follows:

The language in IP 24-130 through IP 24-134 has the same sections similar to those in IP 24-129 as it creates provisions relating to a constitutional amendment that would allow abortions under certain circumstances, reinstating the possibility of abortion facilities being allowed to operate in Missouri.

Comments:

The initiative petition for IP 24-130 through IP 24-134 is the same zero impact for IP 24-129.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-131 proposing to amend Article I.

Officials from the **Department of Revenue** indicated after a thorough review of IP 24-131, their department assumes this will not have a fiscal or administrative impact on their department or their operations. Their department also notes no impact is expected to state tax revenue from this IP.

Officials from the **Department of Public Safety** indicated no impact for their department.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to abortion does not directly financially impact their office.

Section 36.3 undermines the General Assembly's appropriation power. The constitution specifies the limitations on the General Assembly's power and that section does not specify other feasible limits upon adoption of new sections, creating a conflict with the proposed language here. Section 36.4 does not define "right to choose" as though that creates an affirmative requirement on the state to allow or perform an abortion, or to make services accessible. Section 36.4.a conflicts with free speech principles. The proposed section compels speech in order to effectuate another (proposed) constitutional right. Section 36.7 and its subsections are vague. The language is not limited explicitly limited to Missouri. This State cannot control criminal proceedings in another jurisdiction for alleged violations of the other state's law. Further, the language reads that "no person may be subject to *any* criminal prosecution" if such person performs one of the enumerated actions. One interpretation is that one may avoid criminal liability for any possible crime after having sought an abortion, regardless of other context. Due the vagueness throughout the proposal, Section 36.6 also will require interpretation to understand its full effect.

Each provision noted above creates potential litigation costs to the state through declaratory judgement actions to understand the meaning of terms, criminal proceedings (including post-trial), and civil litigation about actions taken when attempting to balance (proposed) constitutional rights. These costs will ultimately burden taxpayers.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-131 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission on initiative petition 24-131.

Officials from the **Office of Administration** indicated this proposal relating to abortion does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-131 a proposed constitutional amendment to Article I, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-131 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated in reviewing initiative petition 24-131 it has been determined there will be an increased cost to the County of Greene due to loss of tax revenue if voters vote to amend Article I.

The Missouri Department of Health & Senior Services recorded 135 "resident abortions" for Greene County in 2020 and 118 in 2021. The population of Greene County per the 2020 United States census was 298,915.

(<https://www.census.gov/quickfacts/fact/table/greenecountymissouri/PST045221>)

In terms of economic impact, Greene County received \$112,673,249 in sales and property taxes for calendar year 2022 (**\$376.94** per capita based on **2020** census data). Accordingly, calculations from these figures indicate an annual loss in population of **135** represents a cost to the County of **\$50,886.90**; an increase in abortion statistics could reasonably be extrapolated to illustrate less tax collections and revenues over the years of potential working lifetimes.

Please see the attached table demonstrating the anticipated yearly on per capita basis and the overall fiscal impact on Greene County tax collections and revenues based on the recorded abortions in 2020 by Missouri Department of Health and Senior Services.

Additional research regarding the broader fiscal impact of lower fertility rates on local and state communities and government budgets may be found here:

- <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/12/the-long-term-decline-in-fertility-and-what-it-means-for-state-budgets>

Greene County Collections in 2022	
2020 Population	298,915
Total Sales Tax Collected	126,986,094.91
Parks I	(8,226,052.01)
Parks II	(8,773,337.47)
Dan Kinney Bond from Parks I	(551,342.50)
LEST	(11,631,863.21)
Strafford TIF	(24,374.44)
Springfield Plaza TIF	(174,240.83)
Sales Tax Subtotal	97,604,884.45
Real Estate Tax	12,222,341.99
Personal Property Tax	2,846,022.58
Property Tax SubTotal	15,068,364.57
Total Taxes	112,673,249.02
Per Capita	376.94
Annual lost population	135
Annual Cost	50,886.90

Officials from **St. Louis County** indicated there would be no fiscal impact to their county as a result of this initiative petition.

Officials from the **City of Kansas City** indicated this proposed amendment has no fiscal impact on their city.

Officials from **Wellsville-Middletown R-1 School District** indicated it is unknown the estimated cost or savings this petition would have.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and do not see an impact on revenue or expense to their college.

Samuel H. Lee, Campaign Life Missouri provided the following information:



Samuel Lee
Director

September 9, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

In accordance with the provisions of [section 116.175](#), this is a proposed statement of the fiscal impact of the six initiative petitions numbered 2024-129 through 2024-134 submitted by Jamie Corley with the Missouri Women and Family Research Fund, which your office received on August 30, 2023.

To summarize, the proposed six ballot measures – all of which would amend the Missouri Constitution – could result in:

- A decrease in federal Medicaid revenues by an unknown amount, up to \$12.5 billion annually.
- Increased costs to taxpayers of unknown amounts, because of medical treatment of, or other services for, children or adults injured by abortions performed by unlicensed or untrained persons.
- Increased costs of an unknown amount to the Department of Health and Senior Services for the inspection and licensing of thousands of abortion facilities.
- Loss of revenue of unknown amounts to the state and its political subdivisions, because of boycotts of businesses, shopping, tourism or other revenue-generating activities, as a result of Missouri becoming a Midwest “abortion destination” state.
- Long-term loss of revenues of unknown amounts to the state and its political subdivisions, because of a decrease in the workforce due to the number of children who are aborted, as well as because of individuals who can no longer work after they become disabled because of unsafe abortions. But more important than fiscal costs, the human cost to Missouri’s citizens is unimaginable.

Former-Auditor Galloway made a comparable analysis of the fiscal impacts when she issued her fiscal note and fiscal note summary on [HB 126 \(20-R001 on June 19, 2019\)](#) – the subject of a referendum that year. Her fiscal note summary became part of the [official ballot title certified by Secretary of State on August 14, 2019](#), for the referendum on HB 126.

Supporting Information on Fiscal Impact of the Six Initiative Petitions:

- The loss of federal Medicaid matching dollars, which in the fiscal year 2024 budget **could be a loss of nearly \$12.5 billion.**
 - In FY 2023, Missouri lawmakers appropriated about \$16.9 billion for Medicaid (MO HealthNet) across state agencies. [The majority of Medicaid financing in 2023 – \\$10.6 billion – came from federal matching funds.](#) The governor’s budget for MO HealthNet for FY 2024 is nearly \$19.3 billion – [almost \\$12.5 billion which comes from federal funds.](#)
 - The loss of federal Medicaid matching funds could occur if Missouri is out of compliance with federal Medicaid requirements, for example:
 - If the state cuts off Medicaid reimbursements to Catholic hospitals or other pro-life health care providers. This could result from the requirement found in all six initiative petitions that there is a “fundamental right to choose to have an abortion ... in the case of ... risk to the health or safety of the female seeking an abortion.” And each of the six declares this “fundamental right” is “unalienable” and that “the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.”
 - These provisions could be interpreted to “obligate[]” the state to require Medicaid providers (including Catholic hospitals and other pro-life or faith-based health care providers) to perform or induce abortions at any time during pregnancy where there is the mere assertion (by anyone) that the abortion is necessary for “health or safety.”
 - Thus, because the right to a “health or safety” abortion is “unalienable” ([not transferable to another; not capable of being taken away or denied](#)), state government could compel recipients of public funds (e.g., Medicaid providers) to protect such a “right” as a condition of receiving public funds.
 - However, for the state government to require Catholic or other pro-life health care providers (or others) to offer, pay for or refer for abortions, would be a violation of their conscience rights – for which the federal government could withhold from the state, Medicaid matching dollars.
 - For example, in California in 2020, [HHS disallowed \\$200 million in federal Medicaid matching funds per quarter due to the state’s unlawful abortion insurance mandate](#), which forced a Catholic order of religious sisters and a non-profit Christian Church to provide abortion health insurance coverage. See also:
 - [“The Fight Over California’s Abortion Coverage Mandate,”](#) *Regulatory Review*, February 3, 2021 (“Can a state require that all health plans offered to its residents cover elective abortions? The federal government thinks not, and the state of California is poised to lose at least \$200 million in Medicaid dollars because it insists that health plans in its state cover abortion services.”)
 - [“Federal agency says UVM Med Center forced nurse to assist in abortion,”](#) *VT Digger*, August 28, 2019 (“The U.S. Department of Health and Human Services has accused the University of Vermont Medical Center of forcing a nurse to assist in an abortion procedure despite the nurse’s religious objections. ... The [letter from Roger Severino](#), the director of HHS’ Office for

Civil Rights, asks the hospital to adjust its policies or face losing the federal funding it receives from HHS.”)

- There might be additional circumstances where state compliance with at least some of the proposed constitutional amendments would force the state to be out of compliance with federal Medicaid law, such as the state paying for abortions with federal funds that are not permitted to be reimbursed under federal law. For example, the state might be compelled by the terms of some of the initiative petitions to pay for all abortions for all Medicaid-eligible females, because failing to do so might be construed as the state “deny[ing] or interfere[ing] with the fundamental right to choose to have an abortion” when the state is paying for the labor and delivery of children for all Medicaid-eligible females. In other words, under an amended state constitution, Missouri might no longer be “permitted to enact persuasive measures which favor childbirth over abortion” (*Planned Parenthood v. Casey*, 505 U.S. 833, 886 (1992)).
- Under the six initiative petitions, “no person may be subject to any criminal prosecution or civil penalty ... if such person is a health care provider performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section”. Thus, ANY person claiming to be a “health care provider” – licensed or unlicensed, trained or untrained – could legally perform, induce or assist in an abortion **with no penalties whatsoever**. **This could result in numerous, life-altering medical complications for the child or adult who underwent the abortion.** And because no civil penalties could be imposed (e.g., no payments for medical care, no recovery for economic or non-economic damages in a malpractice action, etc.), this could result in huge medical costs for the female and her child – **that would ultimately be paid for by taxpayers.**
 - Regarding abortion, in Missouri, the cost of inpatient medical procedures and emergency department services for treating “issues before childbirth with complications” is a **median charge per person of \$11,977** – with a minimum charges of \$4,140 and a **maximum charge of \$35,345**.
 - And the cost could be even higher for an abortion-related ER visit. One recent study found that a “[p]atient concealment and/or physician failure to identify a prior abortion during an ER visit is a significant risk factor for a subsequent hospital admission.” In fact, “[c]hemical abortion patients whose abortions are misclassified as miscarriages during an ER visit subsequently experience on average 3.2 hospital admissions within 30 days. 86% of the patients ultimately have surgical removal of retained products of conception (RPOC).”
 - According to the CDC, in 2020, nearly 10,000 Missouri residents obtained abortions (9,980 total, but only 167 within the state). Having unlicensed, non-medical personnel permitted to perform or induce abortions within the state on even a fraction of these 10,000 girls or women could result in untold harm to them now – and harm to their future health and fertility.
 - And there might be additional costs to the state, local governments, school districts, etc., beyond treating the complications to girls or women from having abortions performed, induced or “assisted” on them by non-physicians or by a broad range of undefined or self-described “health care providers.” Any low-birthweight infant born

- alive after a late-term abortion could need long-term NICU care and possibly permanent assistance throughout childhood and during his or her adult life.
- According to a [2020 New York Times story](#): “The March of Dimes estimates that the average societal cost of each preterm birth, which includes medical care, early intervention services and lost productivity, is \$65,000.”
 - That same story reported on a cost of \$4 million in NICU costs for triplets who were born prematurely.
 - [Preterm birth lifetime costs in the United States](#) (as of 2016) were “estimated to be \$25.2 billion: \$17.1 billion for medical care of persons born preterm, \$2.0 billion for delivery care, \$1.3 billion for early intervention and special education, and \$4.8 billion in lost productivity due to associated disabilities in adults.”
- **Other costs could be the licensing and inspection of multiple locations (potentially thousands of sites) as “abortion facilities,” as required under Missouri law.** [Section 197.205](#) requires that no person or governmental unit shall establish, conduct or maintain an abortion facility in the state without a license issued by the Missouri Department of Health and Senior Services (DHSS). And because each of the six initiative petitions state that “[n]othing in this section [36 of Article I] shall be construed to repeal any law existing at the time of its passage unless such existing law directly conflicts with any provision of this section,” then DHSS would be obligated to enforce section 197.205 – while no longer being permitted to enforce the “directly conflict[ing]” “existing law[s]” requiring that an abortion can only be performed or induced by a physician.
 - [Section 188.015](#) defines an “abortion facility” as “a clinic, physician’s office, or any other place or facility in which abortions are performed or induced other than a hospital”.
 - [Section 197.230](#) states that “[i]n the case of any abortion facility, the department [of health and senior services (DHSS)] shall make or cause to be made an unannounced on-site inspection and investigation at least annually.” Such on-site inspections and investigations must include a variety of areas relating to staffing and equipment to respond to medical emergencies, compliance with Missouri’s abortion laws and the requirement that continuous physician services or registered professional nursing services are to be provided whenever a patient is in the facility.
 - There are [more than 7,000 licensed pharmacists in Missouri](#), and under the proposed constitutional amendments, any pharmacy (or other place) where a pharmacist provides abortion pills, DHSS would be required to inspect and license. **This would be an enormous cost to the department and to taxpayers.** And any other place where abortion pills would be provided (homes, schools, vending machines, clinics, etc.) would also have to be inspected at least once a year and licensed.
 - **Economic boycotts of Missouri and its businesses could result if the “Show-Me” state becomes the “Abort-Me” state, once it is transformed into a Midwest “abortion destination” – a distinct possibility since Missouri is [“within a day’s reach of half of U.S. households”](#).**

- Just as [some pro-abortion advocates in other states are promoting boycotts of states like Missouri that currently protect unborn children from abortion](#), pro-life advocates in other states might boycott by no longer purchasing from Missouri businesses, or engaging in travel, tourism or shopping in Missouri. How tragic that would be for Missouri, which has been described as [one of the top pro-life states in the country](#).
 - Some “red” states have been prohibiting or attempting to prohibit their [governmental entities from doing business with financial firms in other states that take environmental, social and corporate governance \(ESG\) into consideration](#), and those same states and additional ones might extend that to any “abortion destination” state – which is what Missouri could become if any one of the six initiative petitions is enacted into law.
 - “[Missouri tourism provides a \\$13.5 billion economic impact that creates more than 257,000 jobs in the state](#),” according to the [Missouri Division of Tourism](#). It could be a devastating loss to the state and its residents if Missouri became the abortion capital of the Midwest.
- By some estimates, the economic cost to the U.S. of abortion in 2019 – due to the loss of nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of GDP. **Missouri could experience increased economic loss if the number of abortions increases in the state.** And unsafe, legal abortions in the state could result in the disability of countless women who – perhaps permanently – would be unable to enter or remain in the workforce.
 - According to a June 15, 2022, report of the [Joint Economic Committee](#) (JEC) Republicans – [The Economic Cost of Abortion](#) – “the economic cost of abortion due to the loss of unborn lives is 425 times larger than the earnings loss mothers would be expected to incur when having a child.”
 - According to a key finding in the report: “In the long run, abortion shrinks the labor force, stunts innovation, and limits economic growth. It also weakens the solvency of social insurance programs like Social Security and Medicare that rely on workers to support a growing elderly population.”
 - And as the [International Planned Parenthood Federation has noted](#): “**Unsafe abortions** are performed by un- or under-trained providers ... It is possible to have an unsafe, legal abortion.” (underlining added)
 - Under all six initiative petitions, “[n]otwithstanding any other provision of law to the contrary, no person may be subject to any criminal prosecution or civil penalty ... if such person is a health care provider performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section”.
 - Thus, an unlicensed, untrained, undefined or otherwise self-described “health care provider” of ANY age would have the right to perform or induce unsafe, legal abortions (or assist in them) “and the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.” While the economic cost of such a policy is incalculable, more important and horrifying, the human cost to Missouri’s citizens – born and unborn – is unimaginable.

Auditor Fitzpatrick, if we can be of further assistance, please do not hesitate to contact us.

Sam



Samuel H. Lee
Campaign Life Missouri
P.O. Box 142585
St. Louis, MO 63114-0585
(314) 368-4242

Email: samuelhlee@mindspring.com

Twitter: [@samuelhlee](https://twitter.com/samuelhlee)



P.O. Box 142585 • St. Louis, MO 63114-0585

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, State Technical College of Missouri, and University of Missouri.**

Fiscal Note Summary

The Attorney General's office and opponents estimate a potentially significant loss to state and local revenue. The Attorney General's office estimates increased state litigation costs of up to \$21 million. Other state governmental entities estimate no costs or savings. Local governments estimate reduced revenue of at least \$51,000 annually.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

August 30, 2023

RECEIVED

AUG 30 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Jamie Corley regarding a proposed constitutional amendment to Article I, version 2 (2024-130)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Jamie Corley on August 30, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

Page No: _____

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

RECEIVED
2023 AUG 30 AM 9:34

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures) _____
Printed Name of Affiant _____

Street Address of Affiant _____
City, State and Zip Code of Affiant _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary _____
Address of Notary _____
(Seal)

NOTICE: The proposed amendment revises Article I of the Constitution by adopting one new section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article I of the Constitution is revised by adopting one new Section to be known as Article I, Section 36 to read as follows:

Section 36. 1. The state shall not deny or interfere with the fundamental right to refuse to have an abortion.

2. The state shall not deny or interfere with the fundamental right to choose to have an abortion, through a gestational age of twelve weeks, in the case of rape or sexual assault, incest, fatal fetal abnormality, or risk to the health or safety of the female seeking an abortion.

a. In the event of a rape or sexual assault, no abortion shall be performed unless the alleged rape or sexual assault has been reported to a rape or sexual assault crisis hotline.

3. Nothing in this section shall be construed to repeal any law existing at the time of its passage unless such existing law directly conflicts with any provision of this section.

4. Notwithstanding any other provision of law to the contrary, no person may be subject to any criminal prosecution or civil penalty:

a. if such person is a pregnant female and induces, seeks, or obtains an abortion in this or any state;

b. if such person is a health care provider performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section; or

c. if such person assists or provides support to a pregnant female in obtaining an abortion in this or any state.

5. The rights guaranteed by this section shall be unalienable. Any restriction on these rights shall be subject to strict scrutiny and the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-130)**

Subject

Initiative petition from Jamie Corley regarding a proposed constitutional amendment to Article I. (Received August 30, 2023)

Date

September 19, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Samuel H. Lee, Campaign Life Missouri provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated:

TO: Sheri Hoffman

DATE: September 8, 2023

FROM: Diana Haines

Fiscal Note: Initiative petition – Proposed constitutional amendment to Article I (2024-130)

The proposed amendment to Article I would add the “fundamental right to choose to have an abortion” to Missouri’s constitution. It would abrogate Missouri’s recently enacted Right to Life of the Unborn Child Act and enshrine in our state constitution the right to terminate the lives of unborn Missourians. The Missouri Attorney General’s Office expects that the enactment of this proposal would result in a significant fiscal impact to the state.

Analysis

Enshrining abortion rights in our state constitution will have an adverse fiscal impact on Missouri as a whole, and on the state’s political subdivisions. Additionally, the proposed petitions would also trigger significant additional legal costs because they will certainly give rise to legal challenges in which the Attorney General’s Office would be involved.

I. The proposed petitions will have an adverse fiscal impact on Missouri and its political subdivisions

This ballot measure will affect the present and future population of all of Missouri’s 114 counties, and her hundreds of cities, townships and villages. For example, in commenting on the fiscal impact of a similar initiative petition, Greene County recognized the adverse fiscal impact of abortion as it relates to a decreased population. Greene County estimated that 135 future citizens would be lost annually due to legalizing abortion. Greene County’s estimates were supported by fertility rates and the number of

abortions recorded in 2020 by the Missouri Department of Health and Senior Services. Greene County estimated nearly \$51,000 in lost revenue annually to that county based on the reduction in population base. Moreover, this annual dollar amount necessarily increases cumulatively in successive years. (e.g., \$102,000 in year 2, \$153,000 in year 3, \$204,000 in year 4, etc.).

The economic loss to Missouri is not limited to Greene County. The widespread economic devastation created by abortion is supported by a nationwide study published by the United States Senate Joint Economic Committee. See

<https://www.jec.senate.gov/public/index.cfm/republicans/2022/6/the-economic-cost-of-abortion>. It reports an estimated economic cost of abortion in 2019 alone, due to nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of the GDP. A fiscal note must “state the measure’s estimated cost or savings, if any, to state or local governmental entities.” § 116.175, RSMo. The budget for “state [and] local governmental entities” is 11% of the total Missouri economy, according to a 2021 report by the Missouri Economic Research and Information Center. Based on the Senate study and 4,660 abortions in Missouri in 2019,¹ the total economic loss to Missouri from these measures could be as high as \$51 billion, meaning loss to “state or local government entities” would be as high as \$5.61 billion.

That magnitude of economic loss will adversely impact every political subdivision in the state. Indeed, the more populous a region, the greater the economic harm from an aborted population will be. St. Louis City, Jackson County, St. Louis County and Kansas City will be hit hardest of all. These four geographic areas account for approximately one-third of Missouri’s total population.² Based on the numbers cited above, the economic harm to Missouri’s most populous areas is expected to be close to \$17 billion. This type of substantial economic loss attributable to aborting unborn lives cannot be denied and must be included in any fiscal analysis informing voters of the true impact of this proposed initiative petition.

II. The proposed petitions will increase legal costs for the Attorney General’s Office

The Attorney General’s Office (AGO) would also incur substantial legal costs relating to the proposed petitions, including additional costs to general

¹ <https://health.mo.gov/data/vitalstatistics/mvs19/Table12ab.pdf>.

² See <https://www.missouri-demographics.com/cities by population>

operating expenses. First, the petitions involve a controversial topic that is sure to motivate multiple lawsuits by well-funded individuals and organizations dedicated to protecting the sanctity of life in Missouri. General litigation costs alone could run into the millions of dollars. Additionally, the AGO will likely have to hire conflict counsel to participate in these suits because the Attorney General has staked out a position strongly in favor of protecting the unborn, creating a positional conflict that is untenable for the Attorney General and would necessarily generate greater legal costs.

All told, any single lawsuit challenging the validity or application of these proposed amendments would cost as much as \$1.5 million based on the AGO's estimates. Even if validity was only challenged in a few cases, that would still amount to as much as \$6 million in additional legal costs in the first few years. Over the course of 10 years, the office estimates general increased litigation costs and costs associated with conflict counsel to be as much as \$15 million.

The Attorney General's Office also estimates substantial sums in attorney's fees and costs because these proposed amendments would violate fundamental conscience protections guaranteed by federal law if applied to certain Missouri workers. Private and public employees in Missouri are guaranteed conscience protections by many federal laws, such as RLUIPA and § 401(b) of the Health Programs Extension Act of 1973. The proposed amendment would violate these conscience protections with respect to certain Missouri workers, forcing the office to pay not only for conflict counsel, but also attorney's fees to lawyers asserting the federal conscience rights of individual Missourians. The office anticipates up to \$6 million in additional costs for that reason.

Conclusion

These proposed initiative petitions would subvert current state law and enshrine in Missouri's constitution the right to abort unborn children. Not only is that morally repugnant, it is fiscally irresponsible. If enacted, these proposed petitions would have a severe, negative economic impact on the State of Missouri and its political subdivisions. The lost revenue from aborting so many unborn Missourians could be as high as \$51 billion, including \$5.61 billion to "state or local governmental entities." § 116.175. Moreover, additional litigation costs for the AGO and mandatory attorney's fees could run as high as \$21 million. As the AGO continues its legal and fiscal analysis of these misguided proposals, it will update the Auditor's Office if new data becomes available.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-130 and determined there is no impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated they have reviewed Draft No. 24-130 IP through 24-134 IP and have determined that the initiative petitions, with changes, results in the same zero impact as were stated in response to initiative petition 24-129.

Changes to the bill are as follows:

The language in IP 24-130 through IP 24-134 has the same sections similar to those in IP 24-129 as it creates provisions relating to a constitutional amendment that would allow abortions under certain circumstances, reinstating the possibility of abortion facilities being allowed to operate in Missouri.

Comments:

The initiative petition for IP 24-130 through IP 24-134 is the same zero impact for IP 24-129.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-130 proposing to amend Article I.

Officials from the **Department of Revenue** indicated after a thorough review of IP 24-130, their department assumes this will not have a fiscal or administrative impact on their department or their operations. Their department also notes no impact is expected to state tax revenue from this IP.

Officials from the **Department of Public Safety** indicated no impact for their department.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to abortion does not directly financially impact their office.

Section 36.2 does not define "right to choose" as though that creates an affirmative requirement on the state to allow or perform an abortion, or to make services accessible. Section 36.2.a conflicts with free speech principles. The proposed section compels speech in order to effectuate another (proposed) constitutional right. Section 36.4 and its subsections are vague. The language is not limited explicitly limited to Missouri. This State cannot control criminal proceedings in another jurisdiction for alleged violations of the other state's law. Further, the language reads that "no person may be subject to *any* criminal prosecution" if such person performs one of the enumerated actions. One interpretation is that one may avoid criminal liability for any possible crime after having sought an abortion, regardless of other context. Due the vagueness throughout the proposal, Section 36.3 also will require interpretation to understand its full effect.

Each provision noted above creates potential litigation costs to the state through declaratory judgement actions to understand the meaning of terms, criminal proceedings (including post-trial), and civil litigation about actions taken when attempting to balance (proposed) constitutional rights. These costs will ultimately burden taxpayers.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-130 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission on initiative petition 24-130.

Officials from the **Office of Administration** indicated this proposal relating to abortion does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-130 a proposed constitutional amendment to Article I, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-130 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated in reviewing initiative petition 24-130 it has been determined there will be an increased cost to the County of Greene due to loss of tax revenue if voters vote to amend Article I.

The Missouri Department of Health & Senior Services recorded 135 "resident abortions" for Greene County in 2020 and 118 in 2021. The population of Greene County per the 2020 United States census was 298,915.

(<https://www.census.gov/quickfacts/fact/table/greenecountymissouri/PST045221>)

In terms of economic impact, Greene County received \$112,673,249 in sales and property taxes for calendar year 2022 (**\$376.94** per capita based on **2020** census data). Accordingly, calculations from these figures indicate an annual loss in population of **135** represents a cost to the County of **\$50,886.90**; an increase in abortion statistics could reasonably be extrapolated to illustrate less tax collections and revenues over the years of potential working lifetimes.

Please see the attached table demonstrating the anticipated yearly on per capita basis and the overall fiscal impact on Greene County tax collections and revenues based on the recorded abortions in 2020 by Missouri Department of Health and Senior Services.

Additional research regarding the broader fiscal impact of lower fertility rates on local and state communities and government budgets may be found here:

- <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/12/the-long-term-decline-in-fertility-and-what-it-means-for-state-budgets>

Greene County Collections in 2022	
2020 Population	298,915
Total Sales Tax Collected	126,986,094.91
Parks I	(8,226,052.01)
Parks II	(8,773,337.47)
Dan Kinney Bond from Parks I	(551,342.50)
LEST	(11,631,863.21)
Strafford TIF	(24,374.44)
Springfield Plaza TIF	(174,240.83)
Sales Tax Subtotal	97,604,884.45
Real Estate Tax	12,222,341.99
Personal Property Tax	2,846,022.58
Property Tax SubTotal	15,068,364.57
Total Taxes	112,673,249.02
Per Capita	376.94
Annual lost population	135
Annual Cost	50,886.90

Officials from **St. Louis County** indicated there would be no fiscal impact to their county as a result of this initiative petition.

Officials from the **City of Kansas City** indicated this proposed amendment has no fiscal impact on their city.

Officials from **Wellsville-Middletown R-1 School District** indicated it is unknown the estimated cost or savings this petition would have.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and do not see an impact on revenue or expense to their college.

Samuel H. Lee, Campaign Life Missouri provided the following information:



Samuel Lee
Director

September 9, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

In accordance with the provisions of [section 116.175](#), this is a proposed statement of the fiscal impact of the six initiative petitions numbered 2024-129 through 2024-134 submitted by Jamie Corley with the Missouri Women and Family Research Fund, which your office received on August 30, 2023.

To summarize, the proposed six ballot measures – all of which would amend the Missouri Constitution – could result in:

- A decrease in federal Medicaid revenues by an unknown amount, up to \$12.5 billion annually.
- Increased costs to taxpayers of unknown amounts, because of medical treatment of, or other services for, children or adults injured by abortions performed by unlicensed or untrained persons.
- Increased costs of an unknown amount to the Department of Health and Senior Services for the inspection and licensing of thousands of abortion facilities.
- Loss of revenue of unknown amounts to the state and its political subdivisions, because of boycotts of businesses, shopping, tourism or other revenue-generating activities, as a result of Missouri becoming a Midwest “abortion destination” state.
- Long-term loss of revenues of unknown amounts to the state and its political subdivisions, because of a decrease in the workforce due to the number of children who are aborted, as well as because of individuals who can no longer work after they become disabled because of unsafe abortions. But more important than fiscal costs, the human cost to Missouri’s citizens is unimaginable.

Former-Auditor Galloway made a comparable analysis of the fiscal impacts when she issued her fiscal note and fiscal note summary on [HB 126 \(20-R001 on June 19, 2019\)](#) – the subject of a referendum that year. Her fiscal note summary became part of the [official ballot title certified by Secretary of State on August 14, 2019](#), for the referendum on HB 126.

Supporting Information on Fiscal Impact of the Six Initiative Petitions:

- The loss of federal Medicaid matching dollars, which in the fiscal year 2024 budget **could be a loss of nearly \$12.5 billion.**
 - In FY 2023, Missouri lawmakers appropriated about \$16.9 billion for Medicaid (MO HealthNet) across state agencies. [The majority of Medicaid financing in 2023 – \\$10.6 billion – came from federal matching funds.](#) The governor’s budget for MO HealthNet for FY 2024 is nearly \$19.3 billion – [almost \\$12.5 billion which comes from federal funds.](#)
 - The loss of federal Medicaid matching funds could occur if Missouri is out of compliance with federal Medicaid requirements, for example:
 - If the state cuts off Medicaid reimbursements to Catholic hospitals or other pro-life health care providers. This could result from the requirement found in all six initiative petitions that there is a “fundamental right to choose to have an abortion ... in the case of ... risk to the health or safety of the female seeking an abortion.” And each of the six declares this “fundamental right” is “unalienable” and that “the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.”
 - These provisions could be interpreted to “obligate[]” the state to require Medicaid providers (including Catholic hospitals and other pro-life or faith-based health care providers) to perform or induce abortions at any time during pregnancy where there is the mere assertion (by anyone) that the abortion is necessary for “health or safety.”
 - Thus, because the right to a “health or safety” abortion is “unalienable” ([not transferable to another; not capable of being taken away or denied](#)), state government could compel recipients of public funds (e.g., Medicaid providers) to protect such a “right” as a condition of receiving public funds.
 - However, for the state government to require Catholic or other pro-life health care providers (or others) to offer, pay for or refer for abortions, would be a violation of their conscience rights – for which the federal government could withhold from the state, Medicaid matching dollars.
 - For example, in California in 2020, [HHS disallowed \\$200 million in federal Medicaid matching funds per quarter due to the state’s unlawful abortion insurance mandate](#), which forced a Catholic order of religious sisters and a non-profit Christian Church to provide abortion health insurance coverage. See also:
 - [“The Fight Over California’s Abortion Coverage Mandate,”](#) *Regulatory Review*, February 3, 2021 (“Can a state require that all health plans offered to its residents cover elective abortions? The federal government thinks not, and the state of California is poised to lose at least \$200 million in Medicaid dollars because it insists that health plans in its state cover abortion services.”)
 - [“Federal agency says UVM Med Center forced nurse to assist in abortion,”](#) *VT Digger*, August 28, 2019 (“The U.S. Department of Health and Human Services has accused the University of Vermont Medical Center of forcing a nurse to assist in an abortion procedure despite the nurse’s religious objections. ... The [letter from Roger Severino](#), the director of HHS’ Office for

Civil Rights, asks the hospital to adjust its policies or face losing the federal funding it receives from HHS.”)

- There might be additional circumstances where state compliance with at least some of the proposed constitutional amendments would force the state to be out of compliance with federal Medicaid law, such as the state paying for abortions with federal funds that are not permitted to be reimbursed under federal law. For example, the state might be compelled by the terms of some of the initiative petitions to pay for all abortions for all Medicaid-eligible females, because failing to do so might be construed as the state “deny[ing] or interfere[ing] with the fundamental right to choose to have an abortion” when the state is paying for the labor and delivery of children for all Medicaid-eligible females. In other words, under an amended state constitution, Missouri might no longer be “permitted to enact persuasive measures which favor childbirth over abortion” (*Planned Parenthood v. Casey*, 505 U.S. 833, 886 (1992)).
- Under the six initiative petitions, “no person may be subject to any criminal prosecution or civil penalty ... if such person is a health care provider performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section”. Thus, ANY person claiming to be a “health care provider” – licensed or unlicensed, trained or untrained – could legally perform, induce or assist in an abortion **with no penalties whatsoever**. **This could result in numerous, life-altering medical complications for the child or adult who underwent the abortion.** And because no civil penalties could be imposed (e.g., no payments for medical care, no recovery for economic or non-economic damages in a malpractice action, etc.), this could result in huge medical costs for the female and her child – **that would ultimately be paid for by taxpayers.**
 - Regarding abortion, in Missouri, the cost of inpatient medical procedures and emergency department services for treating “issues before childbirth with complications” is a **median charge per person of \$11,977** – with a minimum charges of \$4,140 and a **maximum charge of \$35,345**.
 - And the cost could be even higher for an abortion-related ER visit. One recent study found that a “[p]atient concealment and/or physician failure to identify a prior abortion during an ER visit is a significant risk factor for a subsequent hospital admission.” In fact, “[c]hemical abortion patients whose abortions are misclassified as miscarriages during an ER visit subsequently experience on average 3.2 hospital admissions within 30 days. 86% of the patients ultimately have surgical removal of retained products of conception (RPOC).”
 - According to the CDC, in 2020, nearly 10,000 Missouri residents obtained abortions (9,980 total, but only 167 within the state). Having unlicensed, non-medical personnel permitted to perform or induce abortions within the state on even a fraction of these 10,000 girls or women could result in untold harm to them now – and harm to their future health and fertility.
 - And there might be additional costs to the state, local governments, school districts, etc., beyond treating the complications to girls or women from having abortions performed, induced or “assisted” on them by non-physicians or by a broad range of undefined or self-described “health care providers.” Any low-birthweight infant born

- alive after a late-term abortion could need long-term NICU care and possibly permanent assistance throughout childhood and during his or her adult life.
- According to a [2020 New York Times story](#): “The March of Dimes estimates that the average societal cost of each preterm birth, which includes medical care, early intervention services and lost productivity, is \$65,000.”
 - That same story reported on a cost of \$4 million in NICU costs for triplets who were born prematurely.
 - [Preterm birth lifetime costs in the United States](#) (as of 2016) were “estimated to be \$25.2 billion: \$17.1 billion for medical care of persons born preterm, \$2.0 billion for delivery care, \$1.3 billion for early intervention and special education, and \$4.8 billion in lost productivity due to associated disabilities in adults.”
- **Other costs could be the licensing and inspection of multiple locations (potentially thousands of sites) as “abortion facilities,” as required under Missouri law.** [Section 197.205](#) requires that no person or governmental unit shall establish, conduct or maintain an abortion facility in the state without a license issued by the Missouri Department of Health and Senior Services (DHSS). And because each of the six initiative petitions state that “[n]othing in this section [36 of Article I] shall be construed to repeal any law existing at the time of its passage unless such existing law directly conflicts with any provision of this section,” then DHSS would be obligated to enforce section 197.205 – while no longer being permitted to enforce the “directly conflict[ing]” “existing law[s]” requiring that an abortion can only be performed or induced by a physician.
 - [Section 188.015](#) defines an “abortion facility” as “a clinic, physician’s office, or any other place or facility in which abortions are performed or induced other than a hospital”.
 - [Section 197.230](#) states that “[i]n the case of any abortion facility, the department [of health and senior services (DHSS)] shall make or cause to be made an unannounced on-site inspection and investigation at least annually.” Such on-site inspections and investigations must include a variety of areas relating to staffing and equipment to respond to medical emergencies, compliance with Missouri’s abortion laws and the requirement that continuous physician services or registered professional nursing services are to be provided whenever a patient is in the facility.
 - There are [more than 7,000 licensed pharmacists in Missouri](#), and under the proposed constitutional amendments, any pharmacy (or other place) where a pharmacist provides abortion pills, DHSS would be required to inspect and license. **This would be an enormous cost to the department and to taxpayers.** And any other place where abortion pills would be provided (homes, schools, vending machines, clinics, etc.) would also have to be inspected at least once a year and licensed.
 - **Economic boycotts of Missouri and its businesses could result if the “Show-Me” state becomes the “Abort-Me” state, once it is transformed into a Midwest “abortion destination” – a distinct possibility since Missouri is [“within a day’s reach of half of U.S. households”](#).**

- Just as [some pro-abortion advocates in other states are promoting boycotts of states like Missouri that currently protect unborn children from abortion](#), pro-life advocates in other states might boycott by no longer purchasing from Missouri businesses, or engaging in travel, tourism or shopping in Missouri. How tragic that would be for Missouri, which has been described as [one of the top pro-life states in the country](#).
 - Some “red” states have been prohibiting or attempting to prohibit their [governmental entities from doing business with financial firms in other states that take environmental, social and corporate governance \(ESG\) into consideration](#), and those same states and additional ones might extend that to any “abortion destination” state – which is what Missouri could become if any one of the six initiative petitions is enacted into law.
 - “[Missouri tourism provides a \\$13.5 billion economic impact that creates more than 257,000 jobs in the state](#),” according to the [Missouri Division of Tourism](#). It could be a devastating loss to the state and its residents if Missouri became the abortion capital of the Midwest.
- By some estimates, the economic cost to the U.S. of abortion in 2019 – due to the loss of nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of GDP. **Missouri could experience increased economic loss if the number of abortions increases in the state.** And unsafe, legal abortions in the state could result in the disability of countless women who – perhaps permanently – would be unable to enter or remain in the workforce.
 - According to a June 15, 2022, report of the [Joint Economic Committee](#) (JEC) Republicans – [The Economic Cost of Abortion](#) – “the economic cost of abortion due to the loss of unborn lives is 425 times larger than the earnings loss mothers would be expected to incur when having a child.”
 - According to a key finding in the report: “In the long run, abortion shrinks the labor force, stunts innovation, and limits economic growth. It also weakens the solvency of social insurance programs like Social Security and Medicare that rely on workers to support a growing elderly population.”
 - And as the [International Planned Parenthood Federation has noted](#): “**Unsafe abortions** are performed by un- or under-trained providers ... It is possible to have an unsafe, legal abortion.” (underlining added)
 - Under all six initiative petitions, “[n]otwithstanding any other provision of law to the contrary, no person may be subject to any criminal prosecution or civil penalty ... if such person is a health care provider performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section”.
 - Thus, an unlicensed, untrained, undefined or otherwise self-described “health care provider” of ANY age would have the right to perform or induce unsafe, legal abortions (or assist in them) “and the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.” While the economic cost of such a policy is incalculable, more important and horrifying, the human cost to Missouri’s citizens – born and unborn – is unimaginable.

Auditor Fitzpatrick, if we can be of further assistance, please do not hesitate to contact us.

Sam



Samuel H. Lee
Campaign Life Missouri
P.O. Box 142585
St. Louis, MO 63114-0585
(314) 368-4242

Email: samuelhlee@mindspring.com

Twitter: [@samuelhlee](https://twitter.com/samuelhlee)



P.O. Box 142585 • St. Louis, MO 63114-0585

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, State Technical College of Missouri, and University of Missouri.**

Fiscal Note Summary

The Attorney General's office and opponents estimate a potentially significant loss to state and local revenue. The Attorney General's office estimates increased state litigation costs of up to \$21 million. Other state governmental entities estimate no costs or savings. Local governments estimate reduced revenue of at least \$51,000 annually.



JOHN R. ASHCROFT

SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

August 30, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED
AUG 30 2023
STATE AUDITORS OFFICE

RE: Petition approval request from Jamie Corley regarding a proposed constitutional amendment to Article I, version 1 (2024-129)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Jamie Corley on August 30, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article I of the Constitution by adopting one new section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows: ✓

Section A. Article I of the Constitution is revised by adopting one new Section to be known as Article I, Section 36 to read as follows:

Section 36. 1. The state shall not deny or interfere with the fundamental right to refuse to have an abortion.

2. The state shall not deny or interfere with the fundamental right to choose to have an abortion in the case of rape or sexual assault, incest, fatal fetal abnormality, or risk to the health or safety of the female seeking an abortion.

a. No abortion shall be performed in the event of a rape or sexual assault unless the alleged rape or sexual assault has been reported to a rape or sexual assault crisis hotline.

3. Nothing in this section shall be construed to repeal any law existing at the time of its passage unless such existing law directly conflicts with any provision of this section.

4. Notwithstanding any other provision of law to the contrary, no person may be subject to any criminal prosecution or civil penalty:

a. if such person is a pregnant female and induces, seeks, or obtains an abortion in this or any state;

b. if such person is a health care provider performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section; or

c. if such person assists or provides support to a pregnant female in obtaining an abortion in this or any state.

5. The rights guaranteed by this section shall be unalienable. Any restriction on these rights shall be subject to strict scrutiny and the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-129)**

Subject

Initiative petition from Jamie Corley regarding a proposed constitutional amendment to Article I. (Received August 30, 2023)

Date

September 19, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Samuel H. Lee, Campaign Life Missouri provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated:

TO: Sheri Hoffman

DATE: September 8, 2023

FROM: Diana Haines

Fiscal Note: Initiative petition – Proposed constitutional amendment to Article I (2024-129)

The proposed amendment to Article I would add the “fundamental right to choose to have an abortion” to Missouri’s constitution. It would abrogate Missouri’s recently enacted Right to Life of the Unborn Child Act and enshrine in our state constitution the right to terminate the lives of unborn Missourians. The Missouri Attorney General’s Office expects that the enactment of this proposal would result in a significant fiscal impact to the state.

Analysis

Enshrining abortion rights in our state constitution will have an adverse fiscal impact on Missouri as a whole, and on the state’s political subdivisions. Additionally, the proposed petitions would also trigger significant additional legal costs because they will certainly give rise to legal challenges in which the Attorney General’s Office would be involved.

I. The proposed petitions will have an adverse fiscal impact on Missouri and its political subdivisions

This ballot measure will affect the present and future population of all of Missouri’s 114 counties, and her hundreds of cities, townships and villages. For example, in commenting on the fiscal impact of a similar initiative petition, Greene County recognized the adverse fiscal impact of abortion as it relates to a decreased population. Greene County estimated that 135 future citizens would be lost annually due to legalizing abortion. Greene County’s estimates were supported by fertility rates and the number of

abortions recorded in 2020 by the Missouri Department of Health and Senior Services. Greene County estimated nearly \$51,000 in lost revenue annually to that county based on the reduction in population base. Moreover, this annual dollar amount necessarily increases cumulatively in successive years. (e.g., \$102,000 in year 2, \$153,000 in year 3, \$204,000 in year 4, etc.).

The economic loss to Missouri is not limited to Greene County. The widespread economic devastation created by abortion is supported by a nationwide study published by the United States Senate Joint Economic Committee. See

<https://www.jec.senate.gov/public/index.cfm/republicans/2022/6/the-economic-cost-of-abortion>. It reports an estimated economic cost of abortion in 2019 alone, due to nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of the GDP. A fiscal note must “state the measure’s estimated cost or savings, if any, to state or local governmental entities.” § 116.175, RSMo. The budget for “state [and] local governmental entities” is 11% of the total Missouri economy, according to a 2021 report by the Missouri Economic Research and Information Center. Based on the Senate study and 4,660 abortions in Missouri in 2019,¹ the total economic loss to Missouri from these measures could be as high as \$51 billion, meaning loss to “state or local government entities” would be as high as \$5.61 billion.

That magnitude of economic loss will adversely impact every political subdivision in the state. Indeed, the more populous a region, the greater the economic harm from an aborted population will be. St. Louis City, Jackson County, St. Louis County and Kansas City will be hit hardest of all. These four geographic areas account for approximately one-third of Missouri’s total population.² Based on the numbers cited above, the economic harm to Missouri’s most populous areas is expected to be close to \$17 billion. This type of substantial economic loss attributable to aborting unborn lives cannot be denied and must be included in any fiscal analysis informing voters of the true impact of this proposed initiative petition.

II. The proposed petitions will increase legal costs for the Attorney General’s Office

The Attorney General’s Office (AGO) would also incur substantial legal costs relating to the proposed petitions, including additional costs to general

¹ <https://health.mo.gov/data/vitalstatistics/mvs19/Table12ab.pdf>.

² See <https://www.missouri-demographics.com/cities by population>

operating expenses. First, the petitions involve a controversial topic that is sure to motivate multiple lawsuits by well-funded individuals and organizations dedicated to protecting the sanctity of life in Missouri. General litigation costs alone could run into the millions of dollars. Additionally, the AGO will likely have to hire conflict counsel to participate in these suits because the Attorney General has staked out a position strongly in favor of protecting the unborn, creating a positional conflict that is untenable for the Attorney General and would necessarily generate greater legal costs.

All told, any single lawsuit challenging the validity or application of these proposed amendments would cost as much as \$1.5 million based on the AGO's estimates. Even if validity was only challenged in a few cases, that would still amount to as much as \$6 million in additional legal costs in the first few years. Over the course of 10 years, the office estimates general increased litigation costs and costs associated with conflict counsel to be as much as \$15 million.

The Attorney General's Office also estimates substantial sums in attorney's fees and costs because these proposed amendments would violate fundamental conscience protections guaranteed by federal law if applied to certain Missouri workers. Private and public employees in Missouri are guaranteed conscience protections by many federal laws, such as RLUIPA and § 401(b) of the Health Programs Extension Act of 1973. The proposed amendment would violate these conscience protections with respect to certain Missouri workers, forcing the office to pay not only for conflict counsel, but also attorney's fees to lawyers asserting the federal conscience rights of individual Missourians. The office anticipates up to \$6 million in additional costs for that reason.

Conclusion

These proposed initiative petitions would subvert current state law and enshrine in Missouri's constitution the right to abort unborn children. Not only is that morally repugnant, it is fiscally irresponsible. If enacted, these proposed petitions would have a severe, negative economic impact on the State of Missouri and its political subdivisions. The lost revenue from aborting so many unborn Missourians could be as high as \$51 billion, including \$5.61 billion to "state or local governmental entities." § 116.175. Moreover, additional litigation costs for the AGO and mandatory attorney's fees could run as high as \$21 million. As the AGO continues its legal and fiscal analysis of these misguided proposals, it will update the Auditor's Office if new data becomes available.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-129 and determined there is no impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition will have zero impact.

The initiative petition proposes a constitutional amendment that would allow abortions under certain circumstances, reinstating the possibility of abortion facilities being allowed to operate in Missouri. There is a possibility of new or reopened facilities; however the permissible allowance of abortion would be limited in scope. As such, the Division of Regulation and Licensure does not anticipate any additional abortion facilities in a greater number than what existed prior to the overturning of Roe v Wade. Because the Section for Health Standards and Licensure (HSL) regulated abortion providers in the past with existing staff levels, any providers that become operational would be absorbed in the normal ebb and flow of routine regulatory oversight.

It is assumed that the Department can absorb the costs of this bill with current resources. However, if the workload significantly increased or other legislation was enacted, additional resources would be requested through the appropriation process.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-129 proposing to amend Article I.

Officials from the **Department of Revenue** indicated after a thorough review of IP 24-129, their department assumes this will not have a fiscal or administrative impact on their department or their operations. Their department also notes no impact is expected to state tax revenue from this IP.

Officials from the **Department of Public Safety** indicated no impact for their department.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to abortion does not directly financially impact their office.

Section 36.2 does not define "right to choose" as though that creates an affirmative requirement on the state to allow or perform an abortion, or to make services accessible. Section 36.2.a conflicts with free speech principles. The proposed section compels speech in order to effectuate another (proposed) constitutional right. Section 36.4 and its subsections are vague. The language is not limited explicitly limited to Missouri. This State cannot control criminal proceedings in another jurisdiction for alleged violations of the other state's law. Further, the language reads that "no person may be subject to *any* criminal prosecution" if such person performs one of the enumerated actions. One interpretation is that one may avoid criminal liability for any possible crime after having sought an abortion, regardless of other context. Due the vagueness throughout the proposal, Section 36.3 also will require interpretation to understand its full effect.

Each provision noted above creates potential litigation costs to the state through declaratory judgement actions to understand the meaning of terms, criminal proceedings (including post-trial), and civil litigation about actions taken when attempting to balance (proposed) constitutional rights. These costs will ultimately burden taxpayers.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-129 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission on initiative petition 24-129.

Officials from the **Office of Administration** indicated this proposal relating to abortion does not directly financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-129 a proposed constitutional amendment to Article I, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-129 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated in reviewing initiative petition 24-29 it has been determined there will be an increased cost to the County of Greene due to loss of tax revenue if voters vote to amend Article I.

The Missouri Department of Health & Senior Services recorded 135 "resident abortions" for Greene County in 2020 and 118 in 2021. The population of Greene County per the 2020 United States census was 298,915.

(<https://www.census.gov/quickfacts/fact/table/greencountymissouri/PST045221>)

In terms of economic impact, Greene County received \$112,673,249 in sales and property taxes for calendar year 2022 (**\$376.94** per capita based on **2020** census data). Accordingly, calculations from these figures indicate an annual loss in population of **135** represents a cost to the County of **\$50,886.90**; an increase in abortion statistics could reasonably be extrapolated to illustrate less tax collections and revenues over the years of potential working lifetimes.

Please see the attached table demonstrating the anticipated yearly on per capita basis and the overall fiscal impact on Greene County tax collections and revenues based on the recorded abortions in 2020 by Missouri Department of Health and Senior Services.

Additional research regarding the broader fiscal impact of lower fertility rates on local and state communities and government budgets may be found here:

- <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/12/the-long-term-decline-in-fertility-and-what-it-means-for-state-budgets>

Greene County Collections in 2022	
2020 Population	298,915
Total Sales Tax Collected	126,986,094.91
Parks I	(8,226,052.01)
Parks II	(8,773,337.47)
Dan Kinney Bond from Parks I	(551,342.50)
LEST	(11,631,863.21)
Strafford TIF	(24,374.44)
Springfield Plaza TIF	(174,240.83)
Sales Tax Subtotal	97,604,884.45
Real Estate Tax	12,222,341.99
Personal Property Tax	2,846,022.58
Property Tax SubTotal	15,068,364.57
Total Taxes	112,673,249.02
Per Capita	376.94
Annual lost population	135
Annual Cost	50,886.90

Officials from **St. Louis County** indicated there would be no fiscal impact to their county as a result of this initiative petition.

Officials from the **City of Kansas City** indicated this proposed amendment has no fiscal impact on their city.

Officials from **Wellsville-Middletown R-1 School District** indicated it is unknown the estimated cost or savings this petition would have.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and do not see an impact on revenue or expense to their college.

Samuel H. Lee, Campaign Life Missouri provided the following information:



Samuel Lee
Director

September 9, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

In accordance with the provisions of [section 116.175](#), this is a proposed statement of the fiscal impact of the six initiative petitions numbered 2024-129 through 2024-134 submitted by Jamie Corley with the Missouri Women and Family Research Fund, which your office received on August 30, 2023.

To summarize, the proposed six ballot measures – all of which would amend the Missouri Constitution – could result in:

- A decrease in federal Medicaid revenues by an unknown amount, up to \$12.5 billion annually.
- Increased costs to taxpayers of unknown amounts, because of medical treatment of, or other services for, children or adults injured by abortions performed by unlicensed or untrained persons.
- Increased costs of an unknown amount to the Department of Health and Senior Services for the inspection and licensing of thousands of abortion facilities.
- Loss of revenue of unknown amounts to the state and its political subdivisions, because of boycotts of businesses, shopping, tourism or other revenue-generating activities, as a result of Missouri becoming a Midwest “abortion destination” state.
- Long-term loss of revenues of unknown amounts to the state and its political subdivisions, because of a decrease in the workforce due to the number of children who are aborted, as well as because of individuals who can no longer work after they become disabled because of unsafe abortions. But more important than fiscal costs, the human cost to Missouri’s citizens is unimaginable.

Former-Auditor Galloway made a comparable analysis of the fiscal impacts when she issued her fiscal note and fiscal note summary on [HB 126 \(20-R001 on June 19, 2019\)](#) – the subject of a referendum that year. Her fiscal note summary became part of the [official ballot title certified by Secretary of State on August 14, 2019](#), for the referendum on HB 126.

Supporting Information on Fiscal Impact of the Six Initiative Petitions:

- The loss of federal Medicaid matching dollars, which in the fiscal year 2024 budget **could be a loss of nearly \$12.5 billion.**
 - In FY 2023, Missouri lawmakers appropriated about \$16.9 billion for Medicaid (MO HealthNet) across state agencies. [The majority of Medicaid financing in 2023 – \\$10.6 billion – came from federal matching funds.](#) The governor’s budget for MO HealthNet for FY 2024 is nearly \$19.3 billion – [almost \\$12.5 billion which comes from federal funds.](#)
 - The loss of federal Medicaid matching funds could occur if Missouri is out of compliance with federal Medicaid requirements, for example:
 - If the state cuts off Medicaid reimbursements to Catholic hospitals or other pro-life health care providers. This could result from the requirement found in all six initiative petitions that there is a “fundamental right to choose to have an abortion ... in the case of ... risk to the health or safety of the female seeking an abortion.” And each of the six declares this “fundamental right” is “unalienable” and that “the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.”
 - These provisions could be interpreted to “obligate[]” the state to require Medicaid providers (including Catholic hospitals and other pro-life or faith-based health care providers) to perform or induce abortions at any time during pregnancy where there is the mere assertion (by anyone) that the abortion is necessary for “health or safety.”
 - Thus, because the right to a “health or safety” abortion is “unalienable” ([not transferable to another; not capable of being taken away or denied](#)), state government could compel recipients of public funds (e.g., Medicaid providers) to protect such a “right” as a condition of receiving public funds.
 - However, for the state government to require Catholic or other pro-life health care providers (or others) to offer, pay for or refer for abortions, would be a violation of their conscience rights – for which the federal government could withhold from the state, Medicaid matching dollars.
 - For example, in California in 2020, [HHS disallowed \\$200 million in federal Medicaid matching funds per quarter due to the state’s unlawful abortion insurance mandate](#), which forced a Catholic order of religious sisters and a non-profit Christian Church to provide abortion health insurance coverage. See also:
 - [“The Fight Over California’s Abortion Coverage Mandate,”](#) *Regulatory Review*, February 3, 2021 (“Can a state require that all health plans offered to its residents cover elective abortions? The federal government thinks not, and the state of California is poised to lose at least \$200 million in Medicaid dollars because it insists that health plans in its state cover abortion services.”)
 - [“Federal agency says UVM Med Center forced nurse to assist in abortion,”](#) *VT Digger*, August 28, 2019 (“The U.S. Department of Health and Human Services has accused the University of Vermont Medical Center of forcing a nurse to assist in an abortion procedure despite the nurse’s religious objections. ... The [letter from Roger Severino](#), the director of HHS’ Office for

Civil Rights, asks the hospital to adjust its policies or face losing the federal funding it receives from HHS.”)

- There might be additional circumstances where state compliance with at least some of the proposed constitutional amendments would force the state to be out of compliance with federal Medicaid law, such as the state paying for abortions with federal funds that are not permitted to be reimbursed under federal law. For example, the state might be compelled by the terms of some of the initiative petitions to pay for all abortions for all Medicaid-eligible females, because failing to do so might be construed as the state “deny[ing] or interfere[ing] with the fundamental right to choose to have an abortion” when the state is paying for the labor and delivery of children for all Medicaid-eligible females. In other words, under an amended state constitution, Missouri might no longer be “permitted to enact persuasive measures which favor childbirth over abortion” (*Planned Parenthood v. Casey*, 505 U.S. 833, 886 (1992)).
- Under the six initiative petitions, “no person may be subject to any criminal prosecution or civil penalty ... if such person is a health care provider performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section”. Thus, ANY person claiming to be a “health care provider” – licensed or unlicensed, trained or untrained – could legally perform, induce or assist in an abortion **with no penalties whatsoever**. **This could result in numerous, life-altering medical complications for the child or adult who underwent the abortion.** And because no civil penalties could be imposed (e.g., no payments for medical care, no recovery for economic or non-economic damages in a malpractice action, etc.), this could result in huge medical costs for the female and her child – **that would ultimately be paid for by taxpayers.**
 - Regarding abortion, in Missouri, the cost of inpatient medical procedures and emergency department services for treating “issues before childbirth with complications” is a **median charge per person of \$11,977** – with a minimum charges of \$4,140 and a **maximum charge of \$35,345**.
 - And the cost could be even higher for an abortion-related ER visit. One recent study found that a “[p]atient concealment and/or physician failure to identify a prior abortion during an ER visit is a significant risk factor for a subsequent hospital admission.” In fact, “[c]hemical abortion patients whose abortions are misclassified as miscarriages during an ER visit subsequently experience on average 3.2 hospital admissions within 30 days. 86% of the patients ultimately have surgical removal of retained products of conception (RPOC).”
 - According to the CDC, in 2020, nearly 10,000 Missouri residents obtained abortions (9,980 total, but only 167 within the state). Having unlicensed, non-medical personnel permitted to perform or induce abortions within the state on even a fraction of these 10,000 girls or women could result in untold harm to them now – and harm to their future health and fertility.
 - And there might be additional costs to the state, local governments, school districts, etc., beyond treating the complications to girls or women from having abortions performed, induced or “assisted” on them by non-physicians or by a broad range of undefined or self-described “health care providers.” Any low-birthweight infant born

- alive after a late-term abortion could need long-term NICU care and possibly permanent assistance throughout childhood and during his or her adult life.
- According to a [2020 New York Times story](#): “The March of Dimes estimates that the average societal cost of each preterm birth, which includes medical care, early intervention services and lost productivity, is \$65,000.”
 - That same story reported on a cost of \$4 million in NICU costs for triplets who were born prematurely.
 - [Preterm birth lifetime costs in the United States](#) (as of 2016) were “estimated to be \$25.2 billion: \$17.1 billion for medical care of persons born preterm, \$2.0 billion for delivery care, \$1.3 billion for early intervention and special education, and \$4.8 billion in lost productivity due to associated disabilities in adults.”
- **Other costs could be the licensing and inspection of multiple locations (potentially thousands of sites) as “abortion facilities,” as required under Missouri law.** [Section 197.205](#) requires that no person or governmental unit shall establish, conduct or maintain an abortion facility in the state without a license issued by the Missouri Department of Health and Senior Services (DHSS). And because each of the six initiative petitions state that “[n]othing in this section [36 of Article I] shall be construed to repeal any law existing at the time of its passage unless such existing law directly conflicts with any provision of this section,” then DHSS would be obligated to enforce section 197.205 – while no longer being permitted to enforce the “directly conflict[ing]” “existing law[s]” requiring that an abortion can only be performed or induced by a physician.
 - [Section 188.015](#) defines an “abortion facility” as “a clinic, physician’s office, or any other place or facility in which abortions are performed or induced other than a hospital”.
 - [Section 197.230](#) states that “[i]n the case of any abortion facility, the department [of health and senior services (DHSS)] shall make or cause to be made an unannounced on-site inspection and investigation at least annually.” Such on-site inspections and investigations must include a variety of areas relating to staffing and equipment to respond to medical emergencies, compliance with Missouri’s abortion laws and the requirement that continuous physician services or registered professional nursing services are to be provided whenever a patient is in the facility.
 - There are [more than 7,000 licensed pharmacists in Missouri](#), and under the proposed constitutional amendments, any pharmacy (or other place) where a pharmacist provides abortion pills, DHSS would be required to inspect and license. **This would be an enormous cost to the department and to taxpayers.** And any other place where abortion pills would be provided (homes, schools, vending machines, clinics, etc.) would also have to be inspected at least once a year and licensed.
 - **Economic boycotts of Missouri and its businesses could result if the “Show-Me” state becomes the “Abort-Me” state, once it is transformed into a Midwest “abortion destination” – a distinct possibility since Missouri is [“within a day’s reach of half of U.S. households”](#).**

- Just as [some pro-abortion advocates in other states are promoting boycotts of states like Missouri that currently protect unborn children from abortion](#), pro-life advocates in other states might boycott by no longer purchasing from Missouri businesses, or engaging in travel, tourism or shopping in Missouri. How tragic that would be for Missouri, which has been described as [one of the top pro-life states in the country](#).
 - Some “red” states have been prohibiting or attempting to prohibit their [governmental entities from doing business with financial firms in other states that take environmental, social and corporate governance \(ESG\) into consideration](#), and those same states and additional ones might extend that to any “abortion destination” state – which is what Missouri could become if any one of the six initiative petitions is enacted into law.
 - “[Missouri tourism provides a \\$13.5 billion economic impact that creates more than 257,000 jobs in the state](#),” according to the [Missouri Division of Tourism](#). It could be a devastating loss to the state and its residents if Missouri became the abortion capital of the Midwest.
- By some estimates, the economic cost to the U.S. of abortion in 2019 – due to the loss of nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of GDP. **Missouri could experience increased economic loss if the number of abortions increases in the state.** And unsafe, legal abortions in the state could result in the disability of countless women who – perhaps permanently – would be unable to enter or remain in the workforce.
 - According to a June 15, 2022, report of the [Joint Economic Committee](#) (JEC) Republicans – [The Economic Cost of Abortion](#) – “the economic cost of abortion due to the loss of unborn lives is 425 times larger than the earnings loss mothers would be expected to incur when having a child.”
 - According to a key finding in the report: “In the long run, abortion shrinks the labor force, stunts innovation, and limits economic growth. It also weakens the solvency of social insurance programs like Social Security and Medicare that rely on workers to support a growing elderly population.”
 - And as the [International Planned Parenthood Federation has noted](#): “**Unsafe abortions** are performed by un- or under-trained providers ... It is possible to have an unsafe, legal abortion.” (underlining added)
 - Under all six initiative petitions, “[n]otwithstanding any other provision of law to the contrary, no person may be subject to any criminal prosecution or civil penalty ... if such person is a health care provider performing, inducing, or assisting in the performance or induction of an abortion as provided for in this section”.
 - Thus, an unlicensed, untrained, undefined or otherwise self-described “health care provider” of ANY age would have the right to perform or induce unsafe, legal abortions (or assist in them) “and the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.” While the economic cost of such a policy is incalculable, more important and horrifying, the human cost to Missouri’s citizens – born and unborn – is unimaginable.

Auditor Fitzpatrick, if we can be of further assistance, please do not hesitate to contact us.

Sam



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The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, State Technical College of Missouri, and University of Missouri.**

Fiscal Note Summary

The Attorney General's office and opponents estimate a potentially significant loss to state and local revenue. The Attorney General's office estimates increased state litigation costs of up to \$21 million. Other state governmental entities estimate no costs or savings. Local governments estimate reduced revenue of at least \$51,000 annually.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

August 14, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

AUG 14 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Paul Berry III regarding a proposed constitutional amendment to Article IX (2024-128)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Paul Berry III on August 11, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

Page Number:

INITIATIVE PETITION

We, the undersigned, registered voters of the state of Missouri and _____ County (or the City of St. Louis), respectfully order the following proposed constitutional amendment shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter in the State of Missouri and _____ County (or the City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

CIRCULATOR'S AFFIDAVIT

I, _____, being first duly sworn, (print or type the names of signers)

[illegible]

If paid, list the payer:

Address of Notary (Street, City, State and Zip Code)

My commission expires _____

NOTICE: the proposed amendment revises Article IX, section 8 of the Missouri Constitution by adopting additional language to Article IX, section 8 of the Missouri Constitution.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article IX, section 8 of the Missouri Constitution is revised to remove the following language in brackets and add the following underlined language:

Section 8. [Neither the general assembly, nor any county, city, town, township, school district or other municipal corporation, shall ever make an appropriation or pay from any public fund whatever, anything in aid of any religious creed, church or sectarian purpose, or to help to support or sustain any private or public school, academy, seminary, college, university, or other institution of learning controlled by any religious creed, church or sectarian denomination whatever; nor shall any grant or donation of personal property or real estate ever be made by the state, or any county, city, town, or other municipal corporation, for any religious creed, church, or sectarian purpose whatever.] 1. Except as may be limited by Federal law and the United States Constitution, the State of Missouri shall make available to parents and students of this state all available quality K-12 educational opportunities for each student in Missouri, with the purpose of reducing economic disparities that do not support self-sufficiency, nor promote the pursuit of life, liberty and happiness for all Missourians. Notwithstanding any provision of this section to the contrary, no student of this state shall be required as a function of law or government authority to attend any Missouri school that requires the participation in any religious creed, church or sectarian denomination whatsoever.

2. Subject to the qualifications and procedures set by this section, any K-12 student in the State of Missouri may attend any Missouri charter, private or public school in the State of Missouri outside of the school district boundaries of their home residence, when such K-12 transfer student maintains:

(1) an unexcused attendance record of at least ninety percent (90%) during each semester enrolled at the transfer school;
and

(2) a prior school disciplinary record free of any pattern of bullying or property damage and has not been found to have committed any drug distribution, sexual offense, theft or serious violent offense.

3. Transfer schools, including any transfer school district when such transfer school is a public school, that accepts enrollment of any K-12 transfer student pursuant to this section shall receive from the home school district of such K-12 transfer student the sum amount of the per pupil expenditures that would otherwise be allocated by the student's home school district towards the education of such K-12 transfer student, provided no additional per pupil expenditures or tuition may be charged by the transfer school or transfer school district to any K-12 transfer student or such K-12 student's home school district. The Missouri treasurer shall be responsible for the collection of all per pupil

expenditures from the student's home school district pursuant to this section and transfer such pupil expenditures to the transfer school on behalf of K-12 transfer students.

4. Transfer schools who seek to enroll any K-12 transfer student pursuant to this section shall abide by the following procedures:

(1) each transfer school shall submit to the Missouri department of elementary and secondary education no later than February 1st of each year the number of new transfer students such transfer school seeks to enroll during the following school year;

(2) the Missouri department of elementary and secondary education shall no later than March 1st of each year distribute a public list containing each transfer school who pledges to enroll transfer students during the following school year;

(3) on March 1st of each year, transfer schools may begin accepting student transfer admission applications for transfer student enrollment during the following school year, which shall be accepted and considered by transfer schools with no application fee charged to any party related to any student transfer application;

(4) transfer student candidates may not maintain more than two (2) active transfer student admission applications filed with transfer schools at the same time, except any transfer student candidate may apply to more than two (2) transfer schools operated by the same public school district, which shall count as one (1) student transfer admission application;

(5) no later than April 15th of each year, transfer schools shall issue award notifications to transfer student candidates for each student transfer allotment pledged to the Missouri department of elementary and secondary education for the following school year;

(6) once a transfer student candidate is accepted by a transfer school for student enrollment, such transfer student (a) shall not be required to reapply to continue attendance at such transfer school, which shall also include attendance at any other school operated by a public school district under the authority of such transfer school, and (b) shall be entitled to all rights, privileges and services provided to any student who resides within the residential boundaries of the transfer school; and

(7) the Missouri treasurer and Missouri department of elementary and secondary education shall each create and maintain uniform forms and procedures set by rule for use by home school districts, transfer schools, transfer school districts and transfer student candidates related to this section.

5. When considering student transfer applications from any prospective transfer student currently enrolled in grades 6-12 pursuant to this section, the transfer school shall grant transfer student enrollment priority based upon the following criteria:

(1) transfer student candidates who have a sibling attending any school within transfer school or transfer school district at the time of student transfer application, which shall also include any child raised in the same household as student and/or parent, and maintained an unexcused attendance record of at least 90% during the previous full semester prior to student transfer application shall receive first transfer school admission priority;

(2) transfer student candidates who maintained a minimum 3.0 grade point average and an unexcused attendance record of at least 90% during the previous full semester enrolled at the home school district prior to student transfer application shall receive second transfer school admission priority;

(3) transfer student candidates who maintained (a) a minimum 3.0 grade point average or (b) an unexcused attendance record of at least 90% during the previous full semester enrolled at the home school district prior to student transfer application shall receive third transfer admission priority;

(4) transfer student candidates who are enrolled in a home school district that (a) maintains an average high school graduation rate less than Missouri's average high school graduation rate during the previous school year prior to student transfer application or (b) is under probation or suspended from education accreditation issued by the Missouri department of elementary and secondary education shall receive fourth transfer admission priority;

(5) when any transfer school, or any transfer school district when such transfer school is a public school, receives more student transfer applications from transfer student candidates enrolled in grades 6-12 than the student allotments made available by transfer school or transfer school district for admission of transfer student candidates, such transfer school or transfer school district shall grant the issuance of student transfer enrollment by lottery draw process approved by the Missouri department of elementary and secondary education;

(6) notwithstanding any provision of this subsection, transfer school or transfer school district may at its discretion reject any transfer student from continuing to attend transfer school who does not meet the transfer student requirements set by subsection 2 of this section; and

(7) notwithstanding any provision of this subsection, any private high school that enrolls over seventy-five percent (75%) of their student graduates in a two-year or four-year institution the previous school year may waive the aforementioned student transfer application process requirements pursuant to this subsection and grant admissions to such private school under the same enrollment requirements generally provided by such private high school, provided no application fee may be charged to any party related to any student transfer application.

6. When considering student transfer applications from any prospective transfer student currently enrolled in grades K-5 pursuant to this section, the transfer school shall grant transfer student enrollment priority based upon the following criteria:

(1) transfer student candidates who have a sibling attending any school within transfer school or transfer school district at the time of student transfer application, which shall also include any child raised in the same household as student and/or parent, shall receive first transfer admission priority;

(2) when any transfer school, or any transfer school district when such transfer school is a public school, (a) receives more student transfer applications from transfer student candidates enrolled in grades 1-5 than the student allotments made available by transfer school or transfer school district for admission of transfer student candidates or (b) transfer student candidate is of age to enroll in kindergarten the following school year, such transfer school or transfer school district shall grant the issuance of student transfer enrollment by lottery draw process approved by the Missouri department of elementary and secondary education; and

(3) notwithstanding any provision of this subsection, transfer school or transfer school district may at its discretion reject any transfer student from continuing to attend transfer school who does not meet the transfer student requirements set by subsection 2 of this section.

7. Notwithstanding any provision of this section, each transfer school, or any transfer school district when such transfer school is a public school, that participates in student transfer pursuant to this section is charged with the responsibility to consider any request to waive any attendance, pending application limit or grade point average requirement mandated by this section, which may be requested by the proposed transfer student prior to and/or after the initial or amended application has been filed with transfer school or transfer school district.

8. Notwithstanding any provision of this section, no home school district, transfer school, transfer school district or any other government entity within the state of Missouri shall charge any transfer student for transportation to or from their home residence or for any other transportation provided to any other student attending transfer school.

9. Notwithstanding any provision of this section, transfer schools may provide transportation to or from the home residence of a transfer student when authorized by:

(1) transfer school or transfer school district;

(2) authorized by statute enacted by the Missouri general assembly;

(3) as may be required by Federal law; or

(4) as otherwise required by a Federal or Missouri court order of competent jurisdiction.

10. Notwithstanding any other provision of the Missouri constitution, statute, ordinance, rule, regulation, order or other legal authority to the contrary may the state of Missouri require:

(1) any public school, charter school or private school to serve as transfer school pursuant to this section, except transfer schools and transfer school district shall maintain the sum amount of new transfer student enrollment population voluntarily pledged by such transfer school or transfer school district to the Missouri department of elementary and secondary education for the following school year;

(2) any private school who does not designate itself as a transfer school, which shall only exclude any public or charter school, to participate in any accreditation or standardized testing requirement set or enforced by the Missouri department of elementary and secondary education or any other local or state government entity located within the state of Missouri; or

(3) any student of the state of Missouri to attend any transfer school or be assigned to any transfer school district, in lieu of such student attending the public school assigned by their home school district.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-128)**

Subject

Initiative petition from Paul Berry III regarding a proposed constitutional amendment to Article IX. (Received August 14, 2023)

Date

September 1, 2023

Description

This proposal would amend Article IX of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education (DESE)** indicated:

Article IX Section 8.

The changes required would require changes to data reporting to ensure that state aid is paid to the correct district. It may require multiple modifications to the Missouri Student Information System (MOSIS) files, and ETL changes for attendance hours to flow into core data etc. Also depending what is determined to be the amount of the per pupil expenditures there may need to be modifications to the Annual Secretary of the Board Report (ASBR) to show the calculation. See below for total Information Technology Services Division (ITSD) estimate. Year one ITSD cost: \$395,010.

DESE would be required to work with the State Treasurer's Office to ensure payments were transferred correctly, manage school lists, create policy and all other work associated with the tracking and monitoring required. These additional duties would require the addition of three full-time employees (FTE) for DESE. The added cost of 3 FTE for DESE is below:

1 director level	\$74,808
1 supervisor level	\$58,680
1 program specialist	\$64,704

3 x \$17,695 for Equipment and Expenses = \$53,085

Benefits for 3 FTE = \$118,923

Total cost year 1 of proposed amendment = \$765,210

The changes, as written, has potential for impacts to the Foundation Formula (School Finance) application/calculations. It's unsure if these modification would be able to be handled appropriately by the current/existing application in place today.

ITSD assumed the Foundation Formula is where these changes would be needed, in order to provide proper funding per provisions for transporting pupils, and state aid for such.

Assumed these changes/modifications are able to be programmed into the existing school finance/foundation formula application/code.

ITSD estimates year one costs of \$395,010, year two \$80,977 and ongoing of \$83,001.

Costs for FTE would be ongoing and would increase with any future salary or expense increases. \$12,613 would be the ongoing expense and equipment costs beginning in year two.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated no impact to their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-128 proposing to amend Article IX.

Officials from the **Department of Revenue** indicated after a thorough review of IP 24-128, their department assumes this will not have a fiscal or administrative impact on their department or their operations. Their department also notes no impact is expected to state tax revenue from this IP.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to school districts does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated they do not anticipate any fiscal impact with Initiative Petition 24-128.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to school districts does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-128 a proposed constitutional amendment to Article IX, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated the initiative petition 24-128 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated while the exact fiscal impact is difficult to estimate, their office would expect the initiative proposal to cost the public \$81,155. This calculation consists of a reasonable estimate of the staff resources (\$76,155) and materials (\$5,000) required to "create and maintain uniform forms and procedures set by rule for use by home school districts, transfer schools, transfer school districts and transfer student candidates related to this section." [The costs are annual costs.](#)

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-128 proposing to amend Article IX.

Officials from **St. Louis County** indicated this proposed amendment will have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Jennings School District** indicated this proposed initiative petition could have devastating effects on school districts, including their district. Prior proposed legislation had caps of 3% or 5% of a district's population could transfer out in a given year. Those proposed transfer bills could lead to a 5% reduction in state and federal funds, or, for them, about \$800,000 lost per year. There is no such cap for this proposal. As such, the infrastructure and support that they provide for their community could be severely undercut. They could lose \$7,000 or more per student who transfers out. With 2,400 students, this proposal would be financially perilous for their district and similar districts.

Officials from **Wellsville-Middletown R-1 School District** indicated they are opposed to this as it could affect their district in a number of ways, such as a drop in enrollment, putting a financial burden on their small rural district, taxpayers having to pay for students not living in the district, possibly increasing their enrollment over the 350 Average Daily Attendance (ADA) causing them to lose their small school funding, and could possibly lead to segregation.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated there will be no fiscal impact for the University of Missouri System from this proposed amendment to Article IX.

Officials from the **St. Louis Community College** indicated they have reviewed the proposed initiative and do not believe it financially impacts their college. However, they are concerned that the issue of dual credit and dual enrollment are not addressed. Both programs affect K-12 students and they have assumed it would not affect those programs.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, and State Technical College of Missouri.**

Fiscal Note Summary

State governmental entities expect increased costs of \$846,000 in the first year of implementation and annual costs thereafter of at least \$491,000. Public school districts expect an unknown fiscal impact that could be significantly negative for any district that experiences a large decrease in enrollment.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

August 8, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

AUG 08 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article XII, version 4 (2024-127)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on August 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article XII of the Constitution by amending Section 2(a) and Section 2(b) and adopting four new Sections to be known as Article XII, Sections 7, 8, 9, and 10.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article XII of the Constitution is revised by amending Section 2(a) and Section 2(b) and adopting four new Sections to be known as Article XII, Sections 7, 8, 9, and 10 to read as follows:

Section 2(a). Constitutional amendments may be proposed at any time by a [majority] seventy percent vote of the members-elect of each house of the general assembly, the vote to be taken by yeas and nays and entered on the journal.

Section 2(b). All amendments proposed by the general assembly or by the initiative shall be submitted to the electors for their approval or rejection by official ballot title as may be provided by law, on a separate ballot without party designation, at the next even-numbered year November general election [, or at a special election called by the governor prior thereto, at which he may submit any of the amendments]. No such proposed amendment shall contain more than one amended and revised article of this constitution, or one new article which shall not contain more than one subject and matters properly connected therewith. If possible, each proposed amendment shall be published once a week for two consecutive weeks in two newspapers of different political faith in each county, the last publication to be not more than thirty nor less than fifteen days next preceding the election. If there be but one newspaper in any county, publication for four consecutive weeks shall be made. If a majority of the votes cast thereon is in favor of any amendment, the same shall take effect at the end of thirty days after the election. More than one amendment at the same election shall be so submitted as to enable the electors to vote on each amendment separately.

Section 7. Notwithstanding any other provision of law to the contrary, any constitutional amendment referred to voters shall be adopted when approved by a majority of the votes cast thereon, and not otherwise.

Section 8. Official ballot titles for any constitutional amendment referred to voters shall correctly and fairly express the true intent and meaning thereof and shall unambiguously state the principle of the provision sought to be added, amended, or repealed. An official ballot title shall use language from the full text of the proposed amendment when possible.

Section 9. Any registered voter of the state of Missouri has a right to propose amendments to this constitution via initiative petition, sign petitions proposing changes to this constitution, and vote on questions proposing changes to this constitution. Any restriction on these rights shall be subject to strict scrutiny and the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.

Section 10. a. Notwithstanding any other provision of law to the contrary, a petition proposing changes to this constitution that has been approved for circulation in accordance with the law may be circulated by petition circulators and signed by any registered voter in the state of Missouri using the ballot title language that is certified for use at that time.

b. Notwithstanding any other provision of law to the contrary, if a ballot title has not been certified in the time required by law, a petition may be circulated by petition circulators and signed by any registered voter in the state of Missouri using the full language of the initiative petition in lieu of a ballot title.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-127)**

Subject

Initiative petition from Alixandra Cossette regarding a proposed constitutional amendment to Article XII. (Received August 8, 2023)

Date

August 28, 2023

Description

This proposal would amend Article XII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson**

County Election Board, Clay County Board of Election Commissioners, and the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-127 and determined there is no impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated no impact to their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-127 proposing to amend Article XII.

Officials from the **Department of Revenue** indicated after a thorough review of IP 24-127, their department assumes this will not have a fiscal or administrative impact on their department or their operations. Their department also notes no impact is expected to state tax revenue from this IP.

Officials from the **Department of Public Safety** indicated no impact for their department.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiative petitions does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated they do not anticipate any fiscal impact from Initiative Petition 24-127.

Officials from the **Department of Transportation** indicated this proposal would have no impact on their department.

Officials from the **Office of Administration** indicated this proposal relating to initiative petitions does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-127 a proposed constitutional amendment to Article XII, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions

certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, they estimate publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-127 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for initiative petition, 24-127 proposing to amend Article XII.

Officials from **St. Louis County** indicated this proposed amendment will have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated they do not see any fiscal impact from this amendment.

Officials from **St. Louis Community College** indicated they have reviewed the initiative petition and deemed it does not have a financial impact to the College.

Officials from the **St. Charles County Election Authority** indicated they have reviewed the initiative petition. This petition will not have a fiscal impact for St. Charles County Election Authority.

Officials from the **St. Louis County Board of Elections** indicated they see no impact from petition 2024-127 on their Board.

Officials from the **Board of Election Commissioners City of St. Louis** indicated this IP has no perceived impact on their organization.

Officials from the **Kansas City Board of Election Commissioners** indicated if the election is held in an even-numbered November election year, the additional costs to conduct that election would increase by \$10,000 (posting legal notices). If a separate ballot is needed, the cost for a second ballot to be printed is roughly \$100,000 (44 cents times 225,000 ballots). If the amendment(s) were run on a special election date, the State would pay their pro-rata share, based on voter registration, of conducting a jurisdiction-wide election (\$650,000).

Officials from **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated assuming the Jackson County Board of Election Commissioners is NOT responsible for the publication costs in the newspapers, this petition has no fiscal impact to the Board.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

August 8, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

AUG 08 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article XII, version 3 (2024-126)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on August 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article XII of the Constitution by amending Section 2(a) and Section 2(b) and adopting four new Sections to be known as Article XII, Sections 7, 8, 9, and 10.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article XII of the Constitution is revised by amending Section 2(a) and Section 2(b) and adopting four new Sections to be known as Article XII, Sections 7, 8, 9, and 10 to read as follows:

Section 2(a). Constitutional amendments may be proposed at any time by a [majority] seventy percent vote of the members-elect of each house of the general assembly, the vote to be taken by yeas and nays and entered on the journal.

Section 2(b). All amendments proposed by the general assembly or by the initiative shall be submitted to the electors for their approval or rejection by official ballot title as may be provided by law, on a separate ballot without party designation, at the next even-numbered year November general election [, or at a special election called by the governor prior thereto, at which he may submit any of the amendments]. No such proposed amendment shall contain more than one amended and revised article of this constitution, or one new article which shall not contain more than one subject and matters properly connected therewith. If possible, each proposed amendment shall be published once a week for two consecutive weeks in two newspapers of different political faith in each county, the last publication to be not more than thirty nor less than fifteen days next preceding the election. If there be but one newspaper in any county, publication for four consecutive weeks shall be made. If a majority of the votes cast thereon is in favor of any amendment, the same shall take effect at the end of thirty days after the election. More than one amendment at the same election shall be so submitted as to enable the electors to vote on each amendment separately.

Section 7. Notwithstanding any other provision of law to the contrary, any constitutional amendment referred to voters shall be adopted when approved by a majority of the votes cast thereon, and not otherwise.

Section 8. Official ballot titles for any constitutional amendment referred to voters shall correctly and fairly express the true intent and meaning thereof and shall unambiguously state the principle of the provision sought to be added, amended, or repealed. An official ballot title shall use language from the full text of the proposed amendment when possible.

Section 9. a. Any registered voter of the state of Missouri has a right to propose amendments to this constitution via initiative petition, sign petitions proposing changes to this constitution, and vote on questions proposing changes to this constitution. Any restriction on these rights shall be subject to strict scrutiny and the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.

b. Any citizen of the United States has a right to act as a petition circulator in the state of Missouri. Any restriction on an individual acting as a petition circulator shall be subject to strict scrutiny and the state of Missouri shall be obligated to uphold this right and under no circumstances decline to protect against its infringement.

Section 10. a. Notwithstanding any other provision of law to the contrary, a petition proposing changes to this constitution that has been approved for circulation in accordance with the law may be circulated by petition circulators and signed by any registered voter in the state of Missouri using the ballot title language that is certified for use at that time.

b. Notwithstanding any other provision of law to the contrary, if a ballot title has not been certified in the time required by law, a petition may be circulated by petition circulators and signed by any registered voter in the state of Missouri using the full language of the initiative petition in lieu of a ballot title.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-126)**

Subject

Initiative petition from Alixandra Cossette regarding a proposed constitutional amendment to Article XII. (Received August 8, 2023)

Date

August 28, 2023

Description

This proposal would amend Article XII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson**

County Election Board, Clay County Board of Election Commissioners, and the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-126 and determined there is no impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated no impact to their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-126 proposing to amend Article XII.

Officials from the **Department of Revenue** indicated after a thorough review of IP 24-126, their department assumes this will not have a fiscal or administrative impact on their department or their operations. Their department also notes no impact is expected to state tax revenue from this IP.

Officials from the **Department of Public Safety** indicated no impact for their department.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiative petitions does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated they do not anticipate any fiscal impact from Initiative Petition 24-126.

Officials from the **Department of Transportation** indicated this proposal would have no impact on their department.

Officials from the **Office of Administration** indicated this proposal relating to initiative petitions does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-126 a proposed constitutional amendment to Article XII, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions

certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, they estimate publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-126 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for initiative petition, 24-126 proposing to amend Article XII.

Officials from **St. Louis County** indicated this proposed amendment will have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated they do not see any fiscal impact from this amendment.

Officials from **St. Louis Community College** indicated they have reviewed the initiative petition and deemed it does not have a financial impact to the College.

Officials from the **St. Charles County Election Authority** indicated they have reviewed the initiative petition. This petition will not have a fiscal impact for St. Charles County Election Authority.

Officials from the **St. Louis County Board of Elections** indicated they see no impact from petition 2024-126 on their Board.

Officials from the **Board of Election Commissioners City of St. Louis** indicated this IP has no perceived impact on their organization.

Officials from the **Kansas City Board of Election Commissioners** indicated if the election is held in an even-numbered November election year, the additional costs to conduct that election would increase by \$10,000 (posting legal notices). If a separate ballot is needed, the cost for a second ballot to be printed is roughly \$100,000 (44 cents times 225,000 ballots). If the amendment(s) were run on a special election date, the State would pay their pro-rata share, based on voter registration, of conducting a jurisdiction-wide election (\$650,000).

Officials from **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated assuming the Jackson County Board of Election Commissioners is NOT responsible for the publication costs in the newspapers, this petition has no fiscal impact to the Board.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

August 8, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

AUG 08 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article XII, version 2 (2024-125)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on August 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article XII of the Constitution by amending Section 2(b) and adopting four new Sections to be known as Article XII, Sections 7, 8, 9, and 10.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article XII of the Constitution is revised by amending Section 2(b) and adopting four new Sections to be known as Article XII, Sections 7, 8, 9, and 10 to read as follows:

Section 2(b). All amendments proposed by the general assembly or by the initiative shall be submitted to the electors for their approval or rejection by official ballot title as may be provided by law, on a separate ballot without party designation, at the next even-numbered year November general election [, or at a special election called by the governor prior thereto, at which he may submit any of the amendments]. No such proposed amendment shall contain more than one amended and revised article of this constitution, or one new article which shall not contain more than one subject and matters properly connected therewith. If possible, each proposed amendment shall be published once a week for two consecutive weeks in two newspapers of different political faith in each county, the last publication to be not more than thirty nor less than fifteen days next preceding the election. If there be but one newspaper in any county, publication for four consecutive weeks shall be made. If a majority of the votes cast thereon is in favor of any amendment, the same shall take effect at the end of thirty days after the election. More than one amendment at the same election shall be so submitted as to enable the electors to vote on each amendment separately.

Section 7. Notwithstanding any other provision of law to the contrary, any constitutional amendment referred to voters shall be adopted when approved by a majority of the votes cast thereon, and not otherwise.

Section 8. Official ballot titles for any constitutional amendment referred to voters shall correctly and fairly express the true intent and meaning thereof and shall unambiguously state the principle of the provision sought to be added, amended, or repealed. An official ballot title shall use language from the full text of the proposed amendment when possible.

Section 9. Any registered voter of the state of Missouri has a right to propose amendments to this constitution via initiative petition, sign petitions proposing changes to this constitution, and vote on questions proposing changes to this constitution. Any restriction on these rights shall be subject to strict scrutiny and the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.

Section 10. a. Notwithstanding any other provision of law to the contrary, a petition proposing changes to this constitution that has been approved for circulation in accordance with the law may be circulated by petition circulators and signed by any registered voter in the state of Missouri using the ballot title language that is certified for use at that time.

b. Notwithstanding any other provision of law to the contrary, if a ballot title has not been certified in the time required by law, a petition may be circulated by petition circulators and signed by any registered voter in the state of Missouri using the full language of the initiative petition in lieu of a ballot title.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-125)**

Subject

Initiative petition from Alixandra Cossette regarding a proposed constitutional amendment to Article XII. (Received August 8, 2023)

Date

August 28, 2023

Description

This proposal would amend Article XII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson**

County Election Board, Clay County Board of Election Commissioners, and the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-125 and determined there is no impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated no impact to their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-125 proposing to amend Article XII.

Officials from the **Department of Revenue** indicated after a thorough review of IP 24-125, their department assumes this will not have a fiscal or administrative impact on their department or their operations. Their department also notes no impact is expected to state tax revenue from this IP.

Officials from the **Department of Public Safety** indicated no impact for their department.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiative petitions does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated they do not anticipate any fiscal impact from Initiative Petition 24-125.

Officials from the **Department of Transportation** indicated this proposal would have no impact on their department.

Officials from the **Office of Administration** indicated this proposal relating to initiative petitions does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-125 a proposed constitutional amendment to Article XII, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions

certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, they estimate publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-125 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for initiative petition, 24-125 proposing to amend Article XII.

Officials from **St. Louis County** indicated this proposed amendment will have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated they do not see any fiscal impact from this amendment.

Officials from **St. Louis Community College** indicated they have reviewed the initiative petition and deemed it does not have a financial impact to the College.

Officials from the **St. Charles County Election Authority** indicated they have reviewed the initiative petition. This petition will not have a fiscal impact for St. Charles County Election Authority.

Officials from the **St. Louis County Board of Elections** indicated they see no impact from petition 2024-125 on their Board.

Officials from the **Board of Election Commissioners City of St. Louis** indicated this IP has no perceived impact on their organization.

Officials from the **Kansas City Board of Election Commissioners** indicated if the election is held in an even-numbered November election year, the additional costs to conduct that election would increase by \$10,000 (posting legal notices). If a separate ballot is needed, the cost for a second ballot to be printed is roughly \$100,000 (44 cents times 225,000 ballots). If the amendment(s) were run on a special election date, the State would pay their pro-rata share, based on voter registration, of conducting a jurisdiction-wide election (\$650,000).

Officials from **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated assuming the Jackson County Board of Election Commissioners is NOT responsible for the publication costs in the newspapers, this petition has no fiscal impact to the Board.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

August 8, 2023

RECEIVED

AUG 08 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Alixandra Cossette regarding a proposed constitutional amendment to Article XII, version 1 (2024-124)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Alixandra Cossette on August 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article XII of the Constitution by amending Section 2(b) and adopting four new Sections to be known as Article XII, Sections 7, 8, 9, and 10.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article XII of the Constitution is revised by amending Section 2(b) and adopting four new Sections to be known as Article XII, Sections 7, 8, 9, and 10 to read as follows:

Section 2(b). All amendments proposed by the general assembly or by the initiative shall be submitted to the electors for their approval or rejection by official ballot title as may be provided by law, on a separate ballot without party designation, at the next even-numbered year November general election [, or at a special election called by the governor prior thereto, at which he may submit any of the amendments]. No such proposed amendment shall contain more than one amended and revised article of this constitution, or one new article which shall not contain more than one subject and matters properly connected therewith. If possible, each proposed amendment shall be published once a week for two consecutive weeks in two newspapers of different political faith in each county, the last publication to be not more than thirty nor less than fifteen days next preceding the election. If there be but one newspaper in any county, publication for four consecutive weeks shall be made. If a majority of the votes cast thereon is in favor of any amendment, the same shall take effect at the end of thirty days after the election. More than one amendment at the same election shall be so submitted as to enable the electors to vote on each amendment separately.

Section 7. Notwithstanding any other provision of law to the contrary, any constitutional amendment referred to voters shall be adopted when approved by a majority of the votes cast thereon, and not otherwise.

Section 8. Official ballot titles for any constitutional amendment referred to voters shall correctly and fairly express the true intent and meaning thereof and shall unambiguously state the principle of the provision sought to be added, amended, or repealed. An official ballot title shall use language from the full text of the proposed amendment when possible.

Section 9. a. Any registered voter of the state of Missouri has a right to propose amendments to this constitution via initiative petition, sign petitions proposing changes to this constitution, and vote on questions proposing changes to this constitution. Any restriction on these rights shall be subject to strict scrutiny and the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement.

b. Any citizen of the United States has a right to act as a petition circulator in the state of Missouri. Any restriction on an individual acting as a petition circulator shall be subject to strict scrutiny and the state of Missouri shall be obligated to uphold this right and under no circumstances decline to protect against its infringement.

Section 10. a. Notwithstanding any other provision of law to the contrary, a petition proposing changes to this constitution that has been approved for circulation in accordance with the law may be circulated by petition circulators and signed by any registered voter in the state of Missouri using the ballot title language that is certified for use at that time.

b. Notwithstanding any other provision of law to the contrary, if a ballot title has not been certified in the time required by law, a petition may be circulated by petition circulators and signed by any registered voter in the state of Missouri using the full language of the initiative petition in lieu of a ballot title.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-124)**

Subject

Initiative petition from Alixandra Cossette regarding a proposed constitutional amendment to Article XII. (Received August 8, 2023)

Date

August 28, 2023

Description

This proposal would amend Article XII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson**

County Election Board, Clay County Board of Election Commissioners, and the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-124 and determined there is no impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated no impact to their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-124 proposing to amend Article XII.

Officials from the **Department of Revenue** indicated after a thorough review of IP 24-124, their department assumes this will not have a fiscal or administrative impact on their department or their operations. Their department also notes no impact is expected to state tax revenue from this IP.

Officials from the **Department of Public Safety** indicated no impact for their department.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiative petitions does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated they do not anticipate any fiscal impact from Initiative Petition 24-124.

Officials from the **Department of Transportation** indicated no impact.

Officials from the **Office of Administration** indicated this proposal relating to initiative petitions does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-124 a proposed constitutional amendment to Article XII, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, they estimate publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-124 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for initiative petition, 24-124 proposing to amend Article XII.

Officials from **St. Louis County** indicated this proposed amendment will have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated the University of Missouri System does not see any fiscal impact from this amendment.

Officials from **St. Louis Community College** indicated they have reviewed the initiative petition and deemed it does not have a financial impact to the College.

Officials from the **St. Charles County Election Authority** indicated they have reviewed this initiative petition. This petition will not have a fiscal impact for St. Charles County Election Authority.

Officials from the **St. Louis County Board of Elections** indicated they see no impact from petition 2024-124 on their Board.

Officials from the **Board of Election Commissioners City of St. Louis** indicated this petition has no fiscal impact on their organization.

Officials from the **Kansas City Board of Election Commissioners** indicated if the election is held in an even-numbered November election year, the additional costs to conduct that election would increase by \$10,000 (posting legal notices). If a separate ballot is needed, the cost for a second ballot to be printed is roughly \$100,000 (44 cents times 225,000 ballots). If the amendment(s) were run on a special election date, the State would pay their pro-rata share, based on voter registration, of conducting a jurisdiction-wide election (\$650,000).

Officials from **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated assuming the Jackson County Board of Election Commissioners is NOT responsible for the publication costs in the newspapers, this petition has no fiscal impact to the Board.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings.



JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

August 4, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED
AUG 04 2023
STATE AUDITORS OFFICE

RE: Petition approval request from Byron Keelin regarding a proposed constitutional amendment to Article I (2024-123)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Byron Keelin on August 4, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any petition initiative with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (city of St. Louis); my registered voter address and name of the city, town, or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR’S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____ I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator’s Printed Name)

Name (Signature)	Date Signed	Registered Voting Address (Street)	(City, Town, or Village)	Zip Code	Congr. Dist.	Name (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

Signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address, and city, town, or village correctly and that each signer is a registered voter of the state of Missouri and _____ County. FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ____ do not ____ (Check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures) _____

Street Address of Affiant _____

Printed Name of Affiant _____

City, State and Zip Code of Affiant _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary: _____ Address of Notary _____ (Seal)

NOTICE: The proposed amendment revises Article 1 of the Constitution by adopting one new Section to be known as Article I, section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended: Article I, section 36.1 of the Missouri Constitution to read as follows:

Section 36.1. This Section shall be known as "The Right to Informed Consent."

That individuals have fundamental rights to informed consent and to refuse any medical technologies, procedures, or treatment, including, but not limited to injections, vaccines, or prophylactics. No law, rule, order, ordinance, or regulation shall require, mandate, or coerce any person to receive or use a medical procedure, treatment, vaccine, prophylactic, pharmaceutical, or medical device nor discriminate against the individual who exercises this right. Informed consent includes the right to be informed about exposure to mRNA and/or gene-altering therapies and medical technologies or treatment.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-123)**

Subject

Initiative petition from Byron Keelin regarding a proposed constitutional amendment to Article I. (Received August 4, 2023)

Date

August 24, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Jennings School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-123 and determined there is no impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no fiscal impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition is a no impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-123 proposing to amend Article I.

Officials from the **Department of Revenue** indicated that after a thorough review of IP 24-123, their department assumes this will not have a fiscal or administrative impact on their department or their operations. Their department also notes no impact is expected to state tax revenue from this IP.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to medical interventions and informed consent does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-123 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to medical interventions and informed consent does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-123 a proposed constitutional amendment to Article I (2024-123), there is no fiscal impact on the Courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-123 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-123 proposing to amend Article I.

Officials from the **City of Kansas City** indicated the proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated as no federal mandate is presently being enforced for contractors or as a condition for participation in Medicare/Medicaid, no fiscal impact is anticipated. If such mandates were established and enforced, and if providing exemptions based on philosophical objection (in addition to religious objection) were deemed not to be compliant with the federal mandate, the University of Missouri System could potentially be subject to loss of in excess of \$1 million.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative and determined it has no financial impact on the College.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, St. Louis County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Jennings School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and State Technical College of Missouri.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

July 31, 2023

RECEIVED

JUL 31 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Paul Berry III regarding a proposed constitutional amendment to Article IX (2024-122)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Paul Berry III on July 28, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

County: _____

Page Number: _____

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone who signs any initiative petition with any name other than his or her own, or knowingly to sign his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition where such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or the City of St. Louis), respectfully order the following proposed constitutional amendment shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter in the State of Missouri and _____ County (or the City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

(OFFICIAL BALLOT TITLE)

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, (print or type the names of signers)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS	ZIP CODE	CONGR. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the State of Missouri and _____ County (or the City of St. Louis).

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER THE PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLEAD GUILTY TO ANY OFFENSE INVOLVING PERJURY.

I am at least 18 years of age. I do ____ do not ____ (check one) expect to be paid for circulating this petition.

If paid, list the payer:

Name of Payer

Subscribed and sworn to before me on this ____ day of _____, A.D. 202__.

Notary Public (Seal)

My commission expires _____

Signature of Affiant

Printed Name of Affiant

Address of Affiant (Street, City, State and Zip Code)

Signature of Notary

Address of Notary (Street, City, State and Zip Code)

2023 JUL 28 PM 1:07
RECEIVED
B. Ashcroft

NOTICE: the proposed amendment revises Article IX, section 8 of the Missouri Constitution by adopting additional language to Article IX, section 8 of the Missouri Constitution.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article IX, section 8 of the Missouri Constitution is revised to remove the following language in brackets and add the following underlined language:

Section 8. [Neither the general assembly, nor any county, city, town, township, school district or other municipal corporation, shall ever make an appropriation or pay from any public fund whatever, anything in aid of any religious creed, church or sectarian purpose, or to help to support or sustain any private or public school, academy, seminary, college, university, or other institution of learning controlled by any religious creed, church or sectarian denomination whatever; nor shall any grant or donation of personal property or real estate ever be made by the state, or any county, city, town, or other municipal corporation, for any religious creed, church, or sectarian purpose whatever.] 1. Except as may be limited by Federal law and the United States Constitution, the State of Missouri seeks to make available to parents and students of this state all available quality K-12 educational opportunities for each student in Missouri, with the purpose of reducing economic disparities that do not support self-sufficiency, nor promote the pursuit of life, liberty and happiness for all Missourians. Notwithstanding any provision of this section to the contrary, no student of this state shall be required as a function of law or government authority to attend any Missouri school that requires the participation in any religious creed, church or sectarian denomination whatsoever.

2. Subject to the qualifications and procedures set by this section, any K-12 student in the State of Missouri may attend any Missouri charter, private or public school in the State of Missouri outside of the school district boundaries of their home residence, when such K-12 transfer student maintains:

(1) an unexcused attendance record of at least ninety percent (90%) during each semester enrolled at the transfer school; and

(2) a school disciplinary record free of any pattern of bullying or property damage and has not been found to have committed any drug distribution, sexual offense, theft or serious violent offense.

3. Transfer schools, including any transfer school district when such transfer school is a public school, who accept enrollment of any K-12 transfer student pursuant to this section shall receive from the home school district of such K-12 transfer student the sum amount of the per pupil expenditures that would otherwise be allocated by the student's home school district towards the education of such K-12 transfer student, provided no additional per pupil expenditures or tuition may be charged by the transfer school or transfer school district to any K-12 transfer student or such K-12 student's home school district. The Missouri treasurer shall be responsible for the collection of all per pupil expenditures from the student's home school district pursuant to this section and transfer such pupil expenditures to the transfer school on behalf of K-12 transfer students.

4. Transfer schools who seek to enroll any K-12 transfer student pursuant to this section shall abide by the following procedures:

(1) each transfer school shall submit to the Missouri department of elementary and secondary education no later than February 1st of each year the number of new transfer students such transfer school seeks to enroll during the following school year;

(2) the Missouri department of elementary and secondary education shall no later than March 1st of each year distribute a public list containing each transfer school who pledges to enroll transfer students during the following school year;

(3) on March 1st of each year, transfer schools may begin accepting student transfer admission applications for transfer student enrollment during the following school year, which shall be accepted and considered by transfer schools with no application fee charged to any party related to any student transfer application;

(4) transfer student candidates may not maintain more than two (2) active transfer student admission applications filed with transfer schools at the same time, except any transfer student candidate may apply to more than two (2) transfer schools operated by the same public school district, which shall count as one (1) student transfer admission application;

(5) no later than April 15th of each year, transfer schools shall award to transfer student candidates the allotment of transfer student enrollments pledged to the Missouri department of elementary and secondary education for the following school year;

(6) once a transfer student candidate is accepted by a transfer school for student enrollment, such transfer student (a) shall not be required to reapply to continue attendance at such transfer school, which shall also include attendance at any other school operated by a public school district under the authority of such transfer school, and (b) shall be entitled to all rights, privileges and services provided to any student who resides within the residential boundaries of the transfer school; and

(7) the Missouri treasurer and Missouri department of elementary and secondary education shall each create and maintain uniform forms and procedures set by rule for use by home school districts, transfer schools, transfer school districts and transfer student candidates related to this section.

5. When considering student transfer applications from any prospective transfer student currently enrolled in grades 6-12 pursuant to this section, the transfer school shall grant transfer student enrollment priority based upon the following criteria:

(1) transfer student candidates who have a sibling attending any school within transfer school or transfer school district at the time of student transfer application, which shall also include any child raised in the same household as student and/or parent, and maintained an unexcused attendance record of at least 90% during the previous full semester prior to student transfer application shall receive first transfer school admission priority;

(2) transfer student candidates who maintained a minimum 3.0 grade point average and an unexcused attendance record of at least 90% during the previous full semester enrolled at the home school district prior to student transfer application shall receive second transfer school admission priority;

(3) transfer student candidates who maintained (a) a minimum 3.0 grade point average or (b) an unexcused attendance record of at least 90% during the previous full semester enrolled at the home school district prior to student transfer application shall receive third transfer admission priority;

(4) transfer student candidates who are enrolled in a home school district that (a) maintains an average high school graduation rate less than Missouri's average high school graduation rate during the previous school year prior to student transfer application or (b) is under probation or suspended from education accreditation issued by the Missouri department of elementary and secondary education shall receive fourth transfer admission priority;

(5) when any transfer school, or any transfer school district when such transfer school is a public school, receives more student transfer applications from transfer student candidates enrolled in grades 6-12 than the student allotments made available by transfer school or transfer school district for admission of transfer student candidates, such transfer school or transfer school district shall grant the issuance of student transfer enrollment by lottery draw process approved by the Missouri department of elementary and secondary education;

(6) notwithstanding any provision of this subsection, transfer school or transfer school district may at its discretion reject any transfer student from continuing to attend transfer school who does not meet the transfer student requirements set by subsection 2 of this section; and

(7) notwithstanding any provision of this subsection, any private high school that enrolls over seventy-five percent (75%) of their student graduates in a two-year or four-year institution the previous school year may waive the aforementioned student transfer application process requirements pursuant to this subsection and grant admissions to such private school under the same enrollment requirements generally provided by such private high school, provided no application fee may be charged to any party related to any student transfer application.

6. When considering student transfer applications from any prospective transfer student currently enrolled in grades K-5 pursuant to this section, the transfer school shall grant transfer student enrollment priority based upon the following criteria:

(1) transfer student candidates who have a sibling attending any school within transfer school or transfer school district at the time of student transfer application, which shall also include any child raised in the same household as student and/or parent, shall receive first transfer admission priority;

(2) when any transfer school, or any transfer school district when such transfer school is a public school, (a) receives more student transfer applications from transfer student candidates enrolled in grades 1-5 than the student allotments made available by transfer school or transfer school district for admission of transfer student candidates or (b) transfer student candidate is of age to

enroll in kindergarten the following school year, such transfer school or transfer school district shall grant the issuance of student transfer enrollment by lottery draw process approved by the Missouri department of elementary and secondary education; and

(3) notwithstanding any provision of this subsection, transfer school or transfer school district may at its discretion reject any transfer student from continuing to attend transfer school who does not meet the transfer student requirements set by subsection 2 of this section.

7. Notwithstanding any provision of this section, each transfer school, or any transfer school district when such transfer school is a public school, is charged with the responsibility to consider any request to:

(1) waive any attendance, pending application limit or grade point average requirement required by any transfer student candidate, which may be requested prior to or after the initial application has been filed with transfer school or transfer school district;

(2) reconsider any student transfer application decision made pursuant to this section denied by transfer school or transfer school district, when such transfer school or transfer school district determines at its sole discretion that the transfer student candidate has faced adversity that caused lower attendance or grade point average requirement that could reasonably be addressed by enrollment of transfer student candidate in transfer school or transfer school district.

8. Notwithstanding any provision of this section, no transfer school or any transfer school district when such transfer school is a public school, shall charge or be required to provide transportation to any transfer student to or from their home residence, unless such school transportation is otherwise provided by approval from:

(1) transfer school or transfer school district;

(2) authorized by statute enacted by the Missouri general assembly;

(3) as may be required by Federal law; or

(4) as otherwise required by a Federal or Missouri court order.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

July 27, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JUL 27 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Theo Brown Sr regarding a proposed statutory amendment to Chapter 71 (2024-121)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Theo Brown Sr on July 27, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

County _____
Page No. _____

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
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14.					
15.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do _____ do not _____ (check one) expect to be paid for circulating this petition. If paid, list the payer

Be it enacted by the people of the state of Missouri:

Sections 71.050 of the Revised Statutes of Missouri is amended to read as follows:

SHALL BELLEFONTAINE NEIGHBOR BE CHANGED TO EASTCASTLE POINT CITY

7/22/23, 2:01 PM

Missouri Revisor of Statutes - Revised Statutes of Missouri, RSMo Section 71.050

► ≡ Revisor of Missouri



Words ▾

1st search term or section nr

And ▾

2nd search term



Title VII CITIES, TOWNS AND VILLAGES

Chapter 71

< > • Effective - 28 Aug 1939 ↓

71.050. Petition to change name — consideration — notice. — At any meeting of the corporate authorities of any city, incorporated town or incorporated village, after the presentation of the petition herein provided, such corporate authorities shall fix the time when such petition shall be considered, and order notice of the presentation thereof to be given by publishing such notice for three consecutive weeks in some newspaper having a general circulation in such city, town or village; such notice shall state that a change of name of such city, town or village has been prayed for, and the time when action on said petition shall be had, at which time remonstrances, if any, will be heard.

(RSMo 1939 § 7325)

Prior revisions: 1929 § 7174; 1919 § 8623; 1909 § 9511

---- end of effective 28 Aug 1939 ----

use this link to bookmark section **71.050**

Effective dates prior to 1940 may not be the actual effective date. See FAQ 'When do laws become effective?'

Click here for the **Reorganization Act of 1974 - or - Concurrent Resolutions Having Force & Effect of Law**

In accordance with Section **3.090**, the language of statutory sections enacted during a legislative session are updated and available on this website on the effective date of such enacted statutory section.



► Other Information

► Other Links





JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

July 27, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JUL 27 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Byron Keelin regarding a proposed constitutional amendment to Article I (2024-120)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Byron Keelin on July 27, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

County _____

Page Number _____

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any petition initiative with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (city of St. Louis); my registered voter address and name of the city, town, or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____, I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

Name (Signature)	Date Signed	(Street)	Registered Voting Address (City, Town, or Village)	Zip Code	Congr. Dist.	Name (Printed or Typed)
1.						
2.						
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Signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence: I believe that each has stated his or her name, registered voting address, and city, town, or village correctly and that each signer is a registered voter of the state of Missouri and _____ County. FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ____ do not ____ (Check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary: _____ Address of Notary _____ (Seal)

NOTICE: The proposed amendment revises Article 1 of the Constitution by adopting one new Section to be known as Article I, section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section 36.1. This section shall be known as “The Informed Consent Initiative.”

**Informed Consent Initiative –
Amending Article 1 – Section 36**

That individuals have fundamental rights to informed consent and to refuse any medical technologies, procedures, or treatment, including, but not limited to injections, vaccines, or prophylactics. No law, rule, order, ordinance, or regulation shall require, mandate, or coerce any person to receive or use a medical procedure, treatment, vaccine, prophylactic, pharmaceutical, or medical device nor discriminate against the individual who exercises this right. Informed consent includes the right to be informed about exposure to mRNA and/or gene-altering therapies and medical technologies or treatment.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

July 21, 2023

RECEIVED

JUL 21 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Paul Berry III regarding a proposed constitutional amendment to Article I (2024-119)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Paul Berry III on July 21, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

County: _____

Page Number: _____

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone who signs any initiative petition with any name other than his or her own, or knowingly to sign his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition where such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or the City of St. Louis), respectfully order the following proposed constitutional amendment shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter in the State of Missouri and _____ County (or the City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

(OFFICIAL BALLOT TITLE)

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, (print or type the names of signers)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS	ZIP CODE	CONGR. DIST.	NAME (Printed or Typed)
1.					
2.					
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the State of Missouri and _____ County (or the City of St. Louis).

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER THE PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLEAD GUILTY TO ANY OFFENSE INVOLVING PERJURY.

I am at least 18 years of age. I do ____ do not ____ (check one) expect to be paid for circulating this petition.

If paid, list the payer:

Name of Payer

Signature of Affiant

Printed Name of Affiant

Address of Affiant (Street, City, State and Zip Code)

Subscribed and sworn to before me on this ____ day of _____, A.D. 202__.

Notary Public (Seal)

Signature of Notary

My commission expires _____

Address of Notary (Street, City, State and Zip Code)

NOTICE: the proposed amendment revises Article I, section 23 of the Missouri Constitution by adopting additional language to Article I, section 23 of the Missouri Constitution.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article I, section 23 of the Missouri Constitution is revised to add the following underlined language:

Section 23(a). That the right of every citizen to keep and bear arms, ammunition, and accessories typical to the normal function of such arms, in defense of his home, person, family and property, or when lawfully summoned in aid of the civil power, shall not be questioned. The rights guaranteed by this section shall be unalienable. Any restriction on these rights shall be subject to strict scrutiny and the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement. Nothing in this section shall be construed to prevent the general assembly from enacting general laws which limit the rights of convicted violent felons or those adjudicated by a court to be a danger to self or others as result of a mental disorder or mental infirmity.

Section 23(b). No municipal, county or subdivision of the state of Missouri may pass any rule, regulation, ordinance, law or any other legal authority that regulates the right of any citizen to keep and bear arms, ammunition, and accessories typical to the normal function of such arms.

Section 23(c). No person under the age of 18 shall possess any firearm within the state of Missouri, unless such possession of a firearm is possessed (i) under emergency circumstances, (ii) by a member of the United States Armed Forces, (iii) with the permission of a parent, guardian or person entrusted to care for such person under the age of 18, or (iv) under the direct supervision of a person over the age of 25 who has been granted written permission by the parent or guardian of such person possessing a firearm under the age of 18.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-119)**

Subject

Initiative petition from Paul Berry, III regarding a proposed constitutional amendment to Article I. (Received July 21, 2023)

Date

August 10, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-119 and determined there is no fiscal impact on their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-119 proposing to amend Article I.

Officials from the **Department of Revenue** indicated after a thorough review of IP 24-119, they assume this will not have a fiscal or administrative impact on their department or their operations. Their department also notes no impact is expected to state tax revenue from this IP.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office. There is also no impact for the Missouri State Highway Patrol.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to firearm regulations does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-119 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to firearm regulation does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-119 a proposed constitutional amendment to Article I, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions

certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender (SPD)** indicated initiative petition 24-119 will have no fiscal impact on SPD.

Officials from the **Office of the State Treasurer** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-119 proposing to amend Article I.

Officials from **St. Louis County** indicated this initiative should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this proposed amendment has no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated the University of Missouri System does not foresee any significant cost increase due to this amendment.

Officials from the **St. Louis Community College** indicated they have reviewed the proposed initiative and found no financial impact on their college. However, in the suggested revised Section 23(b), they would be concerned if this section inhibits their rights to not allow firearms on campus.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63**

School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and State Technical College of Missouri.

Fiscal Note Summary

State and local governmental entities estimate no costs or savings.



RECEIVED

JUL 07 2023

STATE AUDITORS OFFICE

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

July 7, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Paul Berry III regarding a proposed constitutional amendment to Article I (2024-118)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Paul Berry III on July 6, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

_____ County (or the City of St. Louis)

_____ Petition Page Number

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone who signs any initiative petition with any name other than his or her own, or knowingly to sign his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition where such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or the City of St. Louis), respectfully order the the following proposed constitutional amendment shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the the day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter in the State of Missouri and _____ County (or the City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

(OFFICIAL BALLOT TITLE)

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, (print or type the names of signers)

NAME (Signature)

DATE SIGNED

REGISTERED VOTING ADDRESS

ZIP CODE

CONGR. DIST.

NAME (Printed or Typed)

2023 JUN -6 PM 3:34

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the State of Missouri and _____ County (or the City of St. Louis).

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER THE PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLEAD GUILTY TO ANY OFFENSE INVOLVING PERJURY.

I am at least 18 years of age. I do ____ do not ____ (check one) expect to be paid for circulating this petition.

If paid, list the payer:

Name of Payer

Signature of Affiant

Printed Name of Affiant

Address of Affiant (Street, City, State and Zip Code)

Subscribed and sworn to before me on this ____ day of _____, A.D. 202 ____.

Notary Public (Seal)

Signature of Notary

Address of Notary (Street, City, State and Zip Code)

My commission expires _____

NOTICE: the proposed amendment revises Article I, section 23 of the Missouri Constitution by adopting additional language to Article I, section 23 of the Missouri Constitution.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article I, section 23 of the Missouri Constitution is revised to add the following underlined language:

Section 23(a). That the right of every citizen to keep and bear arms, ammunition, and accessories typical to the normal function of such arms, in defense of his home, person, family and property, or when lawfully summoned in aid of the civil power, shall not be questioned. The rights guaranteed by this section shall be unalienable. Any restriction on these rights shall be subject to strict scrutiny and the state of Missouri shall be obligated to uphold these rights and shall under no circumstances decline to protect against their infringement. Nothing in this section shall be construed to prevent the general assembly from enacting general laws which limit the rights of convicted violent felons or those adjudicated by a court to be a danger to self or others as result of a mental disorder or mental infirmity.

Section 23(b). No municipal, county or subdivision of the state of Missouri may pass any rule, regulation, ordinance, law or any other legal authority that regulates the right of any citizen to keep and bear arms, ammunition, and accessories typical to the normal function of such arms.

Section 23(c). No person under the age of 18 shall possess any firearm within the state of Missouri, unless such possession of a firearm is possessed (i) under emergency circumstances, (ii) by a member of the United States Armed Forces, (iii) with the permission of a parent, guardian or person entrusted to care for such person under the age of 18, or (iv) under the direct supervision of a person over the age of 25 who has been granted written permission by the parent or guardian of such person possessing a firearm under the age of 18.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

June 30, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JUN 30 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Jimmie Edwards regarding a proposed constitutional amendment to Article I (2024-117)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Jimmie Edwards on June 29, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County _____
Page No. _____

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed law (or amendment to the constitution) shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition, I am a registered voter of the state of Missouri and _____ County (or city of St. Louis), my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____, being first duly sworn, say (print or type names of signers)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Number),(Street), (City, Town or Village)	ZIP CODE	CONGR. DIST.	NAME (Printed or Typed)
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County. FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer _____

Signature of Affiant (Person obtaining signatures)

(Printed Name of Affiant)

Street Address of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary
(Seal)

Address of Notary

NOTICE: the proposed amendment revises Article I, section 23 of the Constitution by adopting a new section to be known as Section 23(a).

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article I, section 23 of the Missouri Constitution is revised by adding the following:

Section 23(a). In compliance with the Second Amendment of the Constitution of the United States and limited by decisions of the United States Supreme Court or federal law, any county, the City of St. Louis, and the city of Kansas City may, by ordinance duly enacted, regulate the possession or carrying of firearms within the limits of the city or county notwithstanding any other provision of law, subject to the following:

1. An ordinance authorizing the issuance of a permit or certificate may provide for the city or county to charge a fee sufficient to cover the cost of issuing permits or certificates but which does not exceed the cost therefor and provided that such permits or certificates shall be valid for no longer than five years. The city or county may obtain background-check information from the federal National Instant Background Check System or other governmental agency providing information service.
2. Any ordinance adopted in accordance with this section may apply to non-residents as well as residents of the city or county, but shall recognize as valid any permit or certificate issued for possessing or carrying firearms issued by the permit or certificate holder's county of residence. Any such ordinance also shall exempt any active duty or retired law enforcement officer who is currently certified as compliant with state peace officer's standards and training, any full time judge, or any person who must be armed as a condition of employment during active employment as a licensed security guard or as a government employee, including military.
3. Any ordinance adopted hereunder may provide penalties for violation, but such penalties shall not exceed a fine of \$1,000 or imprisonment in the county jail for a term exceeding one year, or both. An ordinance also may authorize seizure of any firearm, by a law enforcement officer upon probable cause, where the possessor is ineligible by law to possess the firearm.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-117)**

Subject

Initiative petition from Jimmie Edwards regarding a proposed constitutional amendment to Article I. (Received June 30, 2023)

Date

July 20, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Assumptions

Officials from the **Attorney General's office** indicated:

TO: Sheri Hoffman

DATE: July 7, 2023

FROM: Diana Haines

Fiscal Note: Initiative petition – Proposed constitutional amendment to Article I (2024-117)

All three of the proposed amendments to Article I would allow certain political subdivisions within Missouri, such as Jackson County, St. Louis County, Kansas City, and St. Louis, to set their own gun control laws. These subdivisions would undoubtedly adopt more restrictive gun control laws than the rest of the State. The Attorney General's Office expects that the enactment of any of these proposals would result in increased crime and litigation. The total cost to Missouri could exceed \$704.14 million. This includes \$696.64 million in increased crime costs and \$7.5 million in increased legal costs for the Attorney General's Office.

Analysis

There are two main areas where these initiative petitions would substantially increase costs to Missouri. Stricter gun control laws in certain subdivisions of the State would meaningfully increase the economic losses from increased crime and the amount that must be spent protecting citizens from crime. The petitions would also trigger significant legal costs because they will certainly give rise to legal challenges in which the Attorney General's Office would be involved.

I. The petitions will increase costs associated with crime.

There are two aspects of crime costs that will increase if the initiative petitions go into effect. First, the total economic losses suffered by Missourians

from crime will increase. Second, Missouri will have to spend more on criminal justice efforts to combat increased crime.

To begin, research demonstrates that Missouri's current constitutional carry regime reduces violent crime. John R. Lott, Jr., *Does Allowing Law-Abiding Citizens to Carry Concealed Handguns Save Lives?*, 31 Val. U. L. Rev. 355, 359 (1997). Permissive carry laws that remove barriers to law abiding citizens owning and carrying firearms reduce overall crime rates. Empirical research has demonstrated that when citizens are free to arm themselves, murder rates decrease by 8%, rape by 5%, aggravated assault by 7%, and robbery by 3%. *Id.* For example, violent crimes, such as homicide, substantially declined in Washington, D.C., after the Supreme Court's decision in *Heller*. Matt Connolly, *D.C. murders fall below triple digits, first time since 1963*, WASHINGTON EXAMINER (Dec. 10, 2012)¹. If the initiative petitions go into effect, the gun control laws adopted by Kansas City and St. Louis will nullify these benefits and create a more crime-friendly environment for criminals.

For St. Louis and Kansas City alone, enacting restrictive gun control regulations is estimated to lead to an additional 32 murders per year. *See* ST. LOUIS POLICE DEPARTMENT, 2022 UCR HOMICIDE ANALYSIS (2023); Makenzie Koch, *Kansas City ends 2022 with second-worst homicide total*, FOX 4 (Jan. 2, 2023)². Each murder produces an economic cost of over \$17 million. Annie Lowrey, *True Crime Costs*, SLATE (Oct. 21, 2010)³. This would bring the total economic loss from murder alone to over \$544 million per year if the proposed initiatives went into effect. Moreover, this is a conservative estimate that does not include the potential crime cost ripple effects outside of these cities.

Unfortunately, the story is similar for rape. The current gun control regime is estimated to prevent an additional 726 rapes per year in Kansas City and St. Louis, MO. *See* MACROTRENDS, *St. Louis MO Rape Statistics 1999-2018* (last visited July 7, 2023)⁴; MACROTRENDS, *Kansas City MO Rape Statistics 1999-2018* (last visited July 7, 2023).⁵ Academics who have studied this issue concluded that victims who engage in some measure of self-protection are, as one group of academics wrote, "much less likely to have the rape completed

¹ <https://www.washingtonexaminer.com/dc-murders-fall-below-triple-digits-first-time-since-1963#.UMdCHYN6qSq>

² <https://fox4kc.com/news/kansas-city-ends-2022-with-second-worst-homicide-total/>

³ <https://slate.com/culture/2010/10/does-every-murder-in-the-united-states-really-cost-society-17-million.html#:~:text=That%20means%20in%202009%2C%20according,the%20order%20of%20%2417%20million>

⁴ <https://www.macrotrends.net/cities/us/mo/st-louis/rape-rate-statistics>

⁵ <https://www.macrotrends.net/cities/us/mo/kansas-city/rape-rate-statistics>

against them than nonresisting victims, a pattern generally apparent regardless of the specific form of resistance” and “The form of resistance that appears most effective in preventing rape completion is resistance with a gun, knife, or other weapon.” Gary Kleck and Susan Sayles, *Social Problems* Vol. 37, No. 2 (May, 1990), pp. 149-162 (available at <https://www.jstor.org/stable/800645>) (last visited July 7, 2023). Each additional rape causes an economic loss of \$122,461. Cora Peterson et al., *Lifetime Economic Burden of Rape Among U.S. Adults*, 52 *Am. J. of Preventative Med.* 691 (2017). In sum, the economic burden of additional rapes traceable to an increasingly disarmed public due to the proposed initiative petitions would be approximately \$88.9 million each year.

For aggravated assault, the petitions would cost \$49.6 million. Roughly 646 aggravated assaults are prevented each year by the current constitutional carry regime. *See* MACROTRENDS, *St. Louis MO Aggravated Assaults 1999-2018* (last visited July 7, 2023);⁶ MACROTRENDS, *Kansas City MO Aggravated Assaults 1999-2018* (last visited July 7, 2023)⁷. And each assault costs \$76,829, which means Missourians (under a conservative estimate) would incur nearly \$50 million per year in additional costs. Andrew Rajkumar & Michael French, *Drug abuse, crime costs, and the economic benefits of treatment*, 13 *J. of Quantitative Criminology* 291 (1997).

Finally, for robberies the petitions would lead to additional costs of \$3.04 million annually, resulting from an increase of 3,088 robberies per year. *See* MACROTRENDS, *St. Louis MO Robberies 1999-2018* (last visited July 7, 2023);⁸ MACROTRENDS, *Kansas City MO Robberies 1999-2018* (last visited July 7, 2023)⁹. Each robbery costs the public \$33,143. Rajkumar & French, *supra*. Thus, even relatively lower cost and less violent crimes would lead to significant economic harms.

In addition to the costs outlines above, there are substantial costs to combatting this crime from a law enforcement perspective. These petitions will require additional expenditures in policing and prisons because of the increased crime. Dr. John Lott, the nation’s foremost researcher in this field, has estimated that the total policing and prison cost increases for Missouri would be between \$11.1 and \$38.3 million per year. That does not include the loss of productivity from incarcerated individuals as more people spend time

⁶ <https://www.macrotrends.net/cities/us/mo/st-louis/assault-rate-statistics>

⁷ <https://www.macrotrends.net/cities/us/mo/kansas-city/assault-rate-statistics>

⁸ <https://www.macrotrends.net/cities/us/mo/st-louis/robbery-rate-statistics>

⁹ <https://www.macrotrends.net/cities/us/mo/kansas-city/robbery-rate-statistics>

in prison rather than in the workforce. Nor does this estimate include lost revenue as businesses leave Missouri for areas with lower crime rates. See Felipe Marques, *Citadel billionaire founder Ken Griffin says it wasn't low taxes that led him to move his company from Chicago to Miami*, FORTUNE (Nov. 8 2022).¹⁰ Each of these costs is fairly traceable to the proposed initiative petitions, the sole purpose of which are to undermine and dilute the legal protections currently in place for the safety of Missouri residents.

Thus, even using conservative estimates, these petitions would cost Missouri \$696.64 million alone *per year* in crime-related economic losses.

II. The petitions will increase legal costs for the Attorney General's Office.

The Attorney General's Office (AGO) would also incur substantial legal costs relating to the proposed petitions. First, the petitions involve a controversial topic that is sure to motivate multiple lawsuits by well-funded individuals and organizations dedicated to protecting Second Amendment rights. General litigation costs alone could run into the millions of dollars. Additionally, the AGO will likely have to hire conflict counsel to participate in these suits because the Attorney General has staked out a position strongly in favor of Second Amendment protections, creating a positional conflict that is untenable for the Attorney General and would necessarily generate greater legal costs.

Even a cursory analysis of the proposed initiative petitions raise significant constitutional concerns. As such, the State of Missouri may be required to pay the attorneys' fees of parties that challenge the petitions and any resulting regulations approved by local governments.

All told, each lawsuit could cost approximately \$1.5 million based on the AGO's estimates of the additional personnel and resources needed. Even if the petitions' validity was challenged in only the five jurisdictions specifically named in the petitions (and there is reason to believe it would be more), that would still amount to \$7.5 million in additional legal costs.

Conclusion

¹⁰ <https://fortune.com/2022/11/08/citadel-billionaire-founder-ken-griffin-not-low-taxes-led-move-company-from-chicago-to-miami/>

These proposed initiative petitions would subvert current state law and give political subdivisions unconstitutional control over local resident's gun rights. Not only is that wrong-headed, it is expensive. If enacted, these proposed provisions would have a severe, negative economic impact on the State of Missouri. Crime-related costs would increase drastically. Furthermore, resulting litigation would force the AGO to expend significant funds on anticipated litigation, likely including the hiring of outside counsel.

The AGO currently estimates the fiscal impact will be at least \$704.14 million, but it could be more. As the AGO continues its legal and fiscal analysis of these misguided proposals, it will update the Auditor's Office if new data becomes available.

In response to questions, the Attorney General's office provided the following information:

The challenges to the petitions could be brought before or after election. Depending on the number, nature, and timing of the challenges the Attorney General's office would likely need to seek additional appropriations. The office's current appropriation would not be sufficient to litigate the multiple challenges contemplated in the fiscal note response.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-117 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated they have reviewed the fiscal note and found no fiscal impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-117 proposing to amend Article I.

Officials from the **Department of Revenue** indicated after a thorough review of IP 24-117, they assume this will not have a fiscal or administrative impact on their department or their operations. Their department also notes no impact is expected to state tax revenue from this IP.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they assume no impact regarding this petition.

Officials from the **Governor's office** indicated this proposal relating to firearm regulation by counties and the cities of Kansas City and St. Louis does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-117 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to firearm regulation by counties and the cities of Kansas City and St. Louis does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-117 a proposed constitutional amendment to Article I, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender (SPD)** indicated initiative petition 24-117 will have no fiscal impact on SPD in that it only authorizes creation of a municipal ordinance and Chapter 600 does not authorize SPD representation in municipal ordinance cases.

Officials from the **Office of the State Treasurer** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-117 proposing to amend Article I.

Officials from **St. Louis County** indicated the cost of this proposed initiative is unknown without knowing the details of a subsequent proposed ordinance change.

Officials from the **City of Kansas City** indicated this will have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated the University of Missouri System will not have any significant cost.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative and determined it does not have any direct financial impact to the college.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and the State Technical College of Missouri.**

Fiscal Note Summary

The Attorney General estimates increased litigation costs of up to \$7.5 million. Other state and local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

June 28, 2023

RECEIVED

JUN 28 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Jimmie Edwards regarding a proposed constitutional amendment to Article I, version 3 (2024-116)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Jimmie Edwards on June 28, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County _____

Page No. _____

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed law (or amendment to the constitution) shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition, I am a registered voter of the state of Missouri and _____ County (or city of St. Louis), my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____, I, _____, being first duly sworn, say (print or type names of signers)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Number),(Street), (City, Town or Village)	ZIP CODE	CONGR. DIST.	NAME (Printed or Typed)
1.					
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County. FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

(Printed Name of Affiant)

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: the proposed amendment revises Article I, section 23 of the Constitution by adopting a new section to be known as Section 23(a).

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article I, section 23 of the Missouri Constitution is revised by adding the following:

Section 23 (a). In compliance with the Second Amendment of the Constitution of the United States and limited by decisions of the United States Supreme Court or federal law, Jackson County, St. Louis County, the City of Kansas City and the City of St. Louis may, by ordinance duly enacted, regulate the possession, carrying, or transfer of firearms within the limits of the city or county, notwithstanding any other provision of law, subject to the following:

1. An ordinance authorizing the issuance of a permit or certificate may provide for the city or county to charge a fee sufficient to cover the cost of issuing permits or certificates but which does not exceed the cost therefor and provided that such permits or certificates shall be valid for no longer than five years. The city or county may obtain background-check information from the federal National Instant Background Check System or other governmental agency providing information service.

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3. Any ordinance adopted hereunder may provide penalties for violation, but such penalties shall not exceed a fine of \$1,000 or imprisonment in the county jail for a term exceeding one year, or both. An ordinance also may authorize seizure of any firearm, by a law enforcement officer upon probable cause, where the possessor is ineligible by law to possess the firearm.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
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ELECTIONS DIVISION
(573) 751-2301

June 28, 2023

RECEIVED

JUN 28 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Jimmie Edwards regarding a proposed constitutional amendment to Article I, version 2 (2024-115)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Jimmie Edwards on June 28, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

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[OFFICIAL BALLOT TITLE]

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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County. FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

(Printed Name of Affiant)

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: the proposed amendment revises Article I, section 23 of the Constitution by adopting a new section to be known as Section 23(a).

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Section 23(a). In compliance with the Second Amendment of the Constitution of the United States and limited by decisions of the United States Supreme Court or federal law, any county, the City of St. Louis, and the City of Kansas City may, by ordinance duly enacted, regulate the possession, carrying, or transfer of firearms within the limits of the city or county notwithstanding any other provision of law, subject to the following:

1. An ordinance adopted by the government of the City of St. Louis, the City of Kansas City, St. Louis County or Jackson County shall take effect upon enactment. In all other counties, the ordinance shall contain a referendum provision and shall only take effect 30 days after approval by the voters of the county in a referendum to be held at the next county-wide election date that allows sufficient time, as prescribed by election law or charter provisions, for placing the referendum question on the ballot.

2. An ordinance authorizing the issuance of a permit or certificate may provide for the city or county to charge a fee sufficient to cover the cost of issuing permits or certificates but which does not exceed the cost therefor and provided that such permits or certificates shall be valid for no longer than five years. The city or county may obtain background-check information from the federal National Instant Background Check System or other governmental agency providing information service.

3. Any ordinance adopted in accordance with this section may apply to non-residents as well as residents of the city or county, but shall recognize as valid any permit or certificate issued for possessing, carrying, or transferring firearms issued by the permit or certificate holder's county of residence. Any such ordinance also shall exempt any active duty or retired law enforcement officer who is currently certified as compliant with state peace officer's standards and training, any full time judge, or any person who must be armed as a condition of employment during active employment as a licensed security guard or as a government employee, including military.

4. Any ordinance adopted hereunder may provide penalties for violation, but such penalties shall not exceed a fine of \$1,000 or imprisonment in the county jail for a term exceeding one year, or both. An ordinance also may authorize seizure of any firearm, by a law enforcement office upon probable cause, where the possessor is ineligible by law to possess the firearm.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-115)**

Subject

Initiative petition from Jimmie Edwards regarding a proposed constitutional amendment to Article I. (Received June 28, 2023)

Date

July 18, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Assumptions

Officials from the **Attorney General's office** indicated:

TO: Sheri Hoffman

DATE: July 7, 2023

FROM: Diana Haines

Fiscal Note: Initiative petition – Proposed constitutional amendment to Article I (2024-115)

All three of the proposed amendments to Article I would allow certain political subdivisions within Missouri, such as Jackson County, St. Louis County, Kansas City, and St. Louis, to set their own gun control laws. These subdivisions would undoubtedly adopt more restrictive gun control laws than the rest of the State. The Attorney General's Office expects that the enactment of any of these proposals would result in increased crime and litigation. The total cost to Missouri could exceed \$704.14 million. This includes \$696.64 million in increased crime costs and \$7.5 million in increased legal costs for the Attorney General's Office.

Analysis

There are two main areas where these initiative petitions would substantially increase costs to Missouri. Stricter gun control laws in certain subdivisions of the State would meaningfully increase the economic losses from increased crime and the amount that must be spent protecting citizens from crime. The petitions would also trigger significant legal costs because they will certainly give rise to legal challenges in which the Attorney General's Office would be involved.

I. The petitions will increase costs associated with crime.

There are two aspects of crime costs that will increase if the initiative petitions go into effect. First, the total economic losses suffered by Missourians

from crime will increase. Second, Missouri will have to spend more on criminal justice efforts to combat increased crime.

To begin, research demonstrates that Missouri's current constitutional carry regime reduces violent crime. John R. Lott, Jr., *Does Allowing Law-Abiding Citizens to Carry Concealed Handguns Save Lives?*, 31 Val. U. L. Rev. 355, 359 (1997). Permissive carry laws that remove barriers to law abiding citizens owning and carrying firearms reduce overall crime rates. Empirical research has demonstrated that when citizens are free to arm themselves, murder rates decrease by 8%, rape by 5%, aggravated assault by 7%, and robbery by 3%. *Id.* For example, violent crimes, such as homicide, substantially declined in Washington, D.C., after the Supreme Court's decision in *Heller*. Matt Connolly, *D.C. murders fall below triple digits, first time since 1963*, WASHINGTON EXAMINER (Dec. 10, 2012)¹. If the initiative petitions go into effect, the gun control laws adopted by Kansas City and St. Louis will nullify these benefits and create a more crime-friendly environment for criminals.

For St. Louis and Kansas City alone, enacting restrictive gun control regulations is estimated to lead to an additional 32 murders per year. *See* ST. LOUIS POLICE DEPARTMENT, 2022 UCR HOMICIDE ANALYSIS (2023); Makenzie Koch, *Kansas City ends 2022 with second-worst homicide total*, FOX 4 (Jan. 2, 2023)². Each murder produces an economic cost of over \$17 million. Annie Lowrey, *True Crime Costs*, SLATE (Oct. 21, 2010)³. This would bring the total economic loss from murder alone to over \$544 million per year if the proposed initiatives went into effect. Moreover, this is a conservative estimate that does not include the potential crime cost ripple effects outside of these cities.

Unfortunately, the story is similar for rape. The current gun control regime is estimated to prevent an additional 726 rapes per year in Kansas City and St. Louis, MO. *See* MACROTRENDS, *St. Louis MO Rape Statistics 1999-2018* (last visited July 7, 2023)⁴; MACROTRENDS, *Kansas City MO Rape Statistics 1999-2018* (last visited July 7, 2023).⁵ Academics who have studied this issue concluded that victims who engage in some measure of self-protection are, as one group of academics wrote, "much less likely to have the rape completed

¹ <https://www.washingtonexaminer.com/dc-murders-fall-below-triple-digits-first-time-since-1963#.UMdCHYN6qSq>

² <https://fox4kc.com/news/kansas-city-ends-2022-with-second-worst-homicide-total/>

³ <https://slate.com/culture/2010/10/does-every-murder-in-the-united-states-really-cost-society-17-million.html#:~:text=That%20means%20in%202009%2C%20according,the%20order%20of%20%2417%20million>

⁴ <https://www.macrotrends.net/cities/us/mo/st-louis/rape-rate-statistics>

⁵ <https://www.macrotrends.net/cities/us/mo/kansas-city/rape-rate-statistics>

against them than nonresisting victims, a pattern generally apparent regardless of the specific form of resistance” and “The form of resistance that appears most effective in preventing rape completion is resistance with a gun, knife, or other weapon.” Gary Kleck and Susan Sayles, *Social Problems* Vol. 37, No. 2 (May, 1990), pp. 149-162 (available at <https://www.jstor.org/stable/800645>) (last visited July 7, 2023). Each additional rape causes an economic loss of \$122,461. Cora Peterson et al., *Lifetime Economic Burden of Rape Among U.S. Adults*, 52 *Am. J. of Preventative Med.* 691 (2017). In sum, the economic burden of additional rapes traceable to an increasingly disarmed public due to the proposed initiative petitions would be approximately \$88.9 million each year.

For aggravated assault, the petitions would cost \$49.6 million. Roughly 646 aggravated assaults are prevented each year by the current constitutional carry regime. *See* MACROTRENDS, *St. Louis MO Aggravated Assaults 1999-2018* (last visited July 7, 2023);⁶ MACROTRENDS, *Kansas City MO Aggravated Assaults 1999-2018* (last visited July 7, 2023)⁷. And each assault costs \$76,829, which means Missourians (under a conservative estimate) would incur nearly \$50 million per year in additional costs. Andrew Rajkumar & Michael French, *Drug abuse, crime costs, and the economic benefits of treatment*, 13 *J. of Quantitative Criminology* 291 (1997).

Finally, for robberies the petitions would lead to additional costs of \$3.04 million annually, resulting from an increase of 3,088 robberies per year. *See* MACROTRENDS, *St. Louis MO Robberies 1999-2018* (last visited July 7, 2023);⁸ MACROTRENDS, *Kansas City MO Robberies 1999-2018* (last visited July 7, 2023)⁹. Each robbery costs the public \$33,143. Rajkumar & French, *supra*. Thus, even relatively lower cost and less violent crimes would lead to significant economic harms.

In addition to the costs outlines above, there are substantial costs to combatting this crime from a law enforcement perspective. These petitions will require additional expenditures in policing and prisons because of the increased crime. Dr. John Lott, the nation’s foremost researcher in this field, has estimated that the total policing and prison cost increases for Missouri would be between \$11.1 and \$38.3 million per year. That does not include the loss of productivity from incarcerated individuals as more people spend time

⁶ <https://www.macrotrends.net/cities/us/mo/st-louis/assault-rate-statistics>

⁷ <https://www.macrotrends.net/cities/us/mo/kansas-city/assault-rate-statistics>

⁸ <https://www.macrotrends.net/cities/us/mo/st-louis/robbery-rate-statistics>

⁹ <https://www.macrotrends.net/cities/us/mo/kansas-city/robbery-rate-statistics>

in prison rather than in the workforce. Nor does this estimate include lost revenue as businesses leave Missouri for areas with lower crime rates. See Felipe Marques, *Citadel billionaire founder Ken Griffin says it wasn't low taxes that led him to move his company from Chicago to Miami*, FORTUNE (Nov. 8 2022).¹⁰ Each of these costs is fairly traceable to the proposed initiative petitions, the sole purpose of which are to undermine and dilute the legal protections currently in place for the safety of Missouri residents.

Thus, even using conservative estimates, these petitions would cost Missouri \$696.64 million alone *per year* in crime-related economic losses.

II. The petitions will increase legal costs for the Attorney General's Office.

The Attorney General's Office (AGO) would also incur substantial legal costs relating to the proposed petitions. First, the petitions involve a controversial topic that is sure to motivate multiple lawsuits by well-funded individuals and organizations dedicated to protecting Second Amendment rights. General litigation costs alone could run into the millions of dollars. Additionally, the AGO will likely have to hire conflict counsel to participate in these suits because the Attorney General has staked out a position strongly in favor of Second Amendment protections, creating a positional conflict that is untenable for the Attorney General and would necessarily generate greater legal costs.

Even a cursory analysis of the proposed initiative petitions raise significant constitutional concerns. As such, the State of Missouri may be required to pay the attorneys' fees of parties that challenge the petitions and any resulting regulations approved by local governments.

All told, each lawsuit could cost approximately \$1.5 million based on the AGO's estimates of the additional personnel and resources needed. Even if the petitions' validity was challenged in only the five jurisdictions specifically named in the petitions (and there is reason to believe it would be more), that would still amount to \$7.5 million in additional legal costs.

Conclusion

¹⁰ <https://fortune.com/2022/11/08/citadel-billionaire-founder-ken-griffin-not-low-taxes-led-move-company-from-chicago-to-miami/>

These proposed initiative petitions would subvert current state law and give political subdivisions unconstitutional control over local resident's gun rights. Not only is that wrong-headed, it is expensive. If enacted, these proposed provisions would have a severe, negative economic impact on the State of Missouri. Crime-related costs would increase drastically. Furthermore, resulting litigation would force the AGO to expend significant funds on anticipated litigation, likely including the hiring of outside counsel.

The AGO currently estimates the fiscal impact will be at least \$704.14 million, but it could be more. As the AGO continues its legal and fiscal analysis of these misguided proposals, it will update the Auditor's Office if new data becomes available.

In response to questions, the Attorney General's office provided the following information:

The challenges to the petitions could be brought before or after election. Depending on the number, nature, and timing of the challenges the Attorney General's office would likely need to seek additional appropriations. The office's current appropriation would not be sufficient to litigate the multiple challenges contemplated in the fiscal note response.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-115 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated they have reviewed the fiscal note and found no fiscal impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for initiative petition 24-115 proposing to amend Article I - Regulation of Firearms.

Officials from the **Department of Revenue** indicated after a thorough review of IP 24-115, they assume this will not have a fiscal or administrative impact on their department or their operations. Their department also notes no impact is expected to state tax revenue from this IP.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they assume no impact regarding this petition.

Officials from the **Governor's office** indicated this proposal relating to firearm regulation by counties and the cities of Kansas City and St. Louis does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to firearm regulation by counties and the cities of Kansas City and St. Louis does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-115 a proposed constitutional amendment to Article I, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered

fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender (SPD)** indicated initiative petition 24-115 will have no fiscal impact on SPD in that it only authorizes creation of a municipal ordinance and Chapter 600 does not authorize SPD representation in municipal ordinance cases.

Officials from the **Office of the State Treasurer** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no fiscal impact from this petition.

Officials from **Greene County** indicated in reviewing initiative petition 24-115 it has been determined there will be an increased cost to the County of Greene if voters vote to amend Article I - Regulation of Firearms due to election costs.

The language allows the election to be held at the next county election date available where the referendum provision may be presented to voters by a political subdivision. With that understanding the per voters cost to administer an election during an April election when costs are proportionally shared by political subdivisions will be submitted, as well as the costs to host an election when the political subdivision is the only entity to hold an election below:

Scenario 1 – Proportional Costs

The most recent April 2023 election cost **\$361,991.59**. The estimated cost total county portion to be paid from the **\$361,991.59** election cost total is estimated to be **\$99,103.27**.

Scenario 2 – County only Political Subdivision Cost

A countywide special election has an estimated total cost of **\$347,760.08**.

Officials from **St. Louis County** indicated the cost of this proposed initiative to St. Louis County is unknown without knowing the details of a subsequent proposed ordinance change.

Officials from the **City of Kansas City** indicated this will have no fiscal impact to their city.

Officials from **Metropolitan Community College** indicated no fiscal impact on their college.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and do not believe it will directly financially affect their college. However, their college does not allow weapons on its premises and therefore any change that affects that position could force the college to incur costs.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.**

Fiscal Note Summary

The Attorney General estimates increased litigation costs of up to \$7.5 million. Other state and local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

June 28, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JUN 28 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Jimmie Edwards regarding a proposed constitutional amendment to Article I, version 1 (2024-114)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Jimmie Edwards on June 28, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County _____

Page No. _____

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed law (or amendment to the constitution) shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition, I am a registered voter of the state of Missouri and _____ County (or city of St. Louis), my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____, being first duly sworn, say (print or type names of signers)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Number),(Street), (City, Town or Village)	ZIP CODE	CONGR. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County. FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

(Printed Name of Affiant)

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: the proposed amendment revises Article I, section 23 of the Constitution by adopting a new section to be known as Section 23(a).

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article I, section 23 of the Missouri Constitution is revised by adding the following:

Section 23 (a). In compliance with the Second Amendment of the Constitution of the United States and limited by decisions of the United States Supreme Court or federal law, Jackson County, St. Louis County, the City of Kansas City and the City of St. Louis may, by ordinance duly enacted, regulate the possession, carrying, or transfer of firearms within the limits of the city or county, notwithstanding any other provision of law, subject to the following:

1. An ordinance authorizing the issuance of a permit or certificate may provide for the city or county to charge a fee sufficient to cover the cost of issuing permits or certificates but which does not exceed the cost therefor and provided that such permits or certificates shall be valid for no longer than five years. The city or county may obtain background-check information from the federal National Instant Background Check System or other governmental agency providing information service.

2. Any ordinance adopted in accordance with this section may apply to non-residents as well as residents of the city or county, but shall recognize as valid any permit or certificate issued for possessing, carrying, or transferring firearms issued by the permit or certificate holder's county of residence. Any such ordinance also shall exempt any active duty or retired law enforcement officer who is currently certified as compliant with state peace officer's standards and training, any full time judge, or any person who must be armed as a condition of employment during active employment as a licensed security guard or as a government employee, including military.

3. Any ordinance adopted hereunder may provide penalties for violation, but such penalties shall not exceed a fine of \$1,000 or imprisonment in the county jail for a term exceeding one year, or both. An ordinance also may authorize seizure of any firearm, by a law enforcement officer upon probable cause, where the possessor is ineligible by law to possess the firearm.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-114)**

Subject

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Date

July 18, 2023

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The amendment is to be voted on in November 2024.

Public comments and other input

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Unfortunately, the story is similar for rape. The current gun control regime is estimated to prevent an additional 726 rapes per year in Kansas City and St. Louis, MO. *See* MACROTRENDS, *St. Louis MO Rape Statistics 1999-2018* (last visited July 7, 2023)⁴; MACROTRENDS, *Kansas City MO Rape Statistics 1999-2018* (last visited July 7, 2023).⁵ Academics who have studied this issue concluded that victims who engage in some measure of self-protection are, as one group of academics wrote, "much less likely to have the rape completed

¹ <https://www.washingtonexaminer.com/dc-murders-fall-below-triple-digits-first-time-since-1963#.UMdCHYN6qSq>

² <https://fox4kc.com/news/kansas-city-ends-2022-with-second-worst-homicide-total/>

³ <https://slate.com/culture/2010/10/does-every-murder-in-the-united-states-really-cost-society-17-million.html#:~:text=That%20means%20in%202009%2C%20according,the%20order%20of%20%2417%20million>

⁴ <https://www.macrotrends.net/cities/us/mo/st-louis/rape-rate-statistics>

⁵ <https://www.macrotrends.net/cities/us/mo/kansas-city/rape-rate-statistics>

against them than nonresisting victims, a pattern generally apparent regardless of the specific form of resistance” and “The form of resistance that appears most effective in preventing rape completion is resistance with a gun, knife, or other weapon.” Gary Kleck and Susan Sayles, *Social Problems* Vol. 37, No. 2 (May, 1990), pp. 149-162 (available at <https://www.jstor.org/stable/800645>) (last visited July 7, 2023). Each additional rape causes an economic loss of \$122,461. Cora Peterson et al., *Lifetime Economic Burden of Rape Among U.S. Adults*, 52 *Am. J. of Preventative Med.* 691 (2017). In sum, the economic burden of additional rapes traceable to an increasingly disarmed public due to the proposed initiative petitions would be approximately \$88.9 million each year.

For aggravated assault, the petitions would cost \$49.6 million. Roughly 646 aggravated assaults are prevented each year by the current constitutional carry regime. *See* MACROTRENDS, *St. Louis MO Aggravated Assaults 1999-2018* (last visited July 7, 2023);⁶ MACROTRENDS, *Kansas City MO Aggravated Assaults 1999-2018* (last visited July 7, 2023)⁷. And each assault costs \$76,829, which means Missourians (under a conservative estimate) would incur nearly \$50 million per year in additional costs. Andrew Rajkumar & Michael French, *Drug abuse, crime costs, and the economic benefits of treatment*, 13 *J. of Quantitative Criminology* 291 (1997).

Finally, for robberies the petitions would lead to additional costs of \$3.04 million annually, resulting from an increase of 3,088 robberies per year. *See* MACROTRENDS, *St. Louis MO Robberies 1999-2018* (last visited July 7, 2023);⁸ MACROTRENDS, *Kansas City MO Robberies 1999-2018* (last visited July 7, 2023)⁹. Each robbery costs the public \$33,143. Rajkumar & French, *supra*. Thus, even relatively lower cost and less violent crimes would lead to significant economic harms.

In addition to the costs outlines above, there are substantial costs to combatting this crime from a law enforcement perspective. These petitions will require additional expenditures in policing and prisons because of the increased crime. Dr. John Lott, the nation’s foremost researcher in this field, has estimated that the total policing and prison cost increases for Missouri would be between \$11.1 and \$38.3 million per year. That does not include the loss of productivity from incarcerated individuals as more people spend time

⁶ <https://www.macrotrends.net/cities/us/mo/st-louis/assault-rate-statistics>

⁷ <https://www.macrotrends.net/cities/us/mo/kansas-city/assault-rate-statistics>

⁸ <https://www.macrotrends.net/cities/us/mo/st-louis/robbery-rate-statistics>

⁹ <https://www.macrotrends.net/cities/us/mo/kansas-city/robbery-rate-statistics>

in prison rather than in the workforce. Nor does this estimate include lost revenue as businesses leave Missouri for areas with lower crime rates. See Felipe Marques, *Citadel billionaire founder Ken Griffin says it wasn't low taxes that led him to move his company from Chicago to Miami*, FORTUNE (Nov. 8 2022).¹⁰ Each of these costs is fairly traceable to the proposed initiative petitions, the sole purpose of which are to undermine and dilute the legal protections currently in place for the safety of Missouri residents.

Thus, even using conservative estimates, these petitions would cost Missouri \$696.64 million alone *per year* in crime-related economic losses.

II. The petitions will increase legal costs for the Attorney General's Office.

The Attorney General's Office (AGO) would also incur substantial legal costs relating to the proposed petitions. First, the petitions involve a controversial topic that is sure to motivate multiple lawsuits by well-funded individuals and organizations dedicated to protecting Second Amendment rights. General litigation costs alone could run into the millions of dollars. Additionally, the AGO will likely have to hire conflict counsel to participate in these suits because the Attorney General has staked out a position strongly in favor of Second Amendment protections, creating a positional conflict that is untenable for the Attorney General and would necessarily generate greater legal costs.

Even a cursory analysis of the proposed initiative petitions raise significant constitutional concerns. As such, the State of Missouri may be required to pay the attorneys' fees of parties that challenge the petitions and any resulting regulations approved by local governments.

All told, each lawsuit could cost approximately \$1.5 million based on the AGO's estimates of the additional personnel and resources needed. Even if the petitions' validity was challenged in only the five jurisdictions specifically named in the petitions (and there is reason to believe it would be more), that would still amount to \$7.5 million in additional legal costs.

Conclusion

¹⁰ <https://fortune.com/2022/11/08/citadel-billionaire-founder-ken-griffin-not-low-taxes-led-move-company-from-chicago-to-miami/>

These proposed initiative petitions would subvert current state law and give political subdivisions unconstitutional control over local resident's gun rights. Not only is that wrong-headed, it is expensive. If enacted, these proposed provisions would have a severe, negative economic impact on the State of Missouri. Crime-related costs would increase drastically. Furthermore, resulting litigation would force the AGO to expend significant funds on anticipated litigation, likely including the hiring of outside counsel.

The AGO currently estimates the fiscal impact will be at least \$704.14 million, but it could be more. As the AGO continues its legal and fiscal analysis of these misguided proposals, it will update the Auditor's Office if new data becomes available.

In response to questions, the Attorney General's office provided the following information:

The challenges to the petitions could be brought before or after election. Depending on the number, nature, and timing of the challenges the Attorney General's office would likely need to seek additional appropriations. The office's current appropriation would not be sufficient to litigate the multiple challenges contemplated in the fiscal note response.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-114 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated they have reviewed the fiscal note and found no fiscal impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for initiative petition 24-114 proposing to amend Article I - Regulation of Firearms.

Officials from the **Department of Revenue** indicated after a thorough review of IP 24-114, they assume this will not have a fiscal or administrative impact on their department or their operations. Their department also notes no impact is expected to state tax revenue from this IP.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they assume no impact regarding this petition.

Officials from the **Governor's office** indicated this proposal relating to firearm regulation by Jackson and St. Louis counties and the cities of Kansas City and St. Louis does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to firearm regulation by Jackson and St. Louis counties and Kansas City and the City of St. Louis does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-114 a proposed constitutional amendment to Article I, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered

fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender (SPD)** indicated initiative petition 24-114 will have no fiscal impact on SPD in that it only authorizes creation of a municipal ordinance and Chapter 600 does not authorize SPD representation in municipal ordinance cases.

Officials from the **Office of the State Treasurer** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-114 proposing to amend Article I - Regulation of Firearms.

Officials from **St. Louis County** indicated the cost of this proposed initiative to St. Louis County is unknown without knowing the details of a subsequent proposed ordinance change.

Officials from the **City of Kansas City** indicated this will have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and do not believe it will directly financially affect their college. However, their college does not allow weapons on its premises and therefore any change that affects that position could force the college to incur costs.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia,**

the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.

Fiscal Note Summary

The Attorney General estimates increased litigation costs of up to \$7.5 million. Other state and local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

June 27, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JUN 27 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Bradley Ketcher regarding a proposed statutory amendment to Chapter 324 (2024-113)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Bradley Ketcher on June 27, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John Ashcroft, Secretary of State for the state of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[Official Ballot title]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Number) (Street), (City, Town, or Village)	ZIP CODE	CONGR. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis).

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age. I do ____ do not ____ (check one) expect to be paid for circulating this petition.

If paid, list the payer:

(Name of payer)_____
Signature of Affiant (Person obtaining signatures)_____
Printed Name of Affiant_____
Address of Affiant (Street, City, State & Zip Code)

Subscribed and sworn to before me this ____ day of _____, A.D. 202 ____.

Notary Public (Seal)

Signature of Notary

My commission expires _____

Address of Notary (Street, City, State & Zip Code)

Be it enacted by the people of the state of Missouri:

Section A. Section 324.272, RSMo, is amended to read as follows:

324.272. 1. Except as provided in subsection 2 of this section, sections 324.240 to 324.275 shall preempt any rule, regulation or order adopted by a political subdivision of the state relating to the licensing or regulation of massage therapists or massage businesses.

2. Sections 324.240 to 324.275 shall not affect:

(1) Local regulations relating to zoning requirements, local health department regulations, or occupational license taxes pertaining to massage therapists or massage businesses; or

(2) Local regulations that do not relate to the practice of massage therapy as performed by a Missouri state licensed massage therapist, including regulations of those professions who perform duties with a licensed massage therapist.

3. Notwithstanding the provisions of this section, local voters shall have the right and option to set local transaction taxes relating to massage therapists and massage businesses.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-113)**

Subject

Initiative petition from Bradley Ketcher regarding a proposed amendment to Chapter 324 of the Revised Statutes of Missouri. (Received June 27, 2023)

Date

July 17, 2023

Description

This proposal would amend Chapter 324 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-113 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated they have reviewed this fiscal note and found no fiscal impact.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-113 proposing to amend Chapter 324, RSMo.

Officials from the **Department of Revenue** indicated after a thorough review of IP 24-113, they assume this will not have a fiscal or administrative impact on their department or their operations. Their department also notes no impact is expected to state tax revenue from this IP.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they assume no impact regarding this petition.

Officials from the **Governor's office** indicated this proposal relating to local votes on transaction taxes for massage therapists and businesses does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-113 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to local votes on transaction taxes for massage therapists and businesses does not financially impact their office.

Note: Budget & Planning assumes this provision will not impact state revenues. However, if the Department of Revenue is tasked with collecting the tax and is granted a percentage of such collections for costs, then this provision could have an unknown, positive, impact on general revenue.

Officials from the **Office of State Courts Administrator** indicated in reference to Initiative Petition 24-113, a proposed statutory amendment to Chapter 324 (2024-113), there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-113 will have no fiscal impact on their office.

Officials from the **Office of the State Treasurer** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no fiscal impact from this petition.

Officials from **Greene County** indicated in reviewing initiative petition 24-113 it has been determined there will be an increased cost to their county if voters vote to amend Chapter 324, RSMo due to the election costs.

The language appears to allow the election to be held during the current dates set forth in statute for a public election where tax questions may be presented to voters by a political subdivision. With that understanding the per voters cost to administer an election during an April election when costs are proportionally shared by political subdivisions will be submitted, as well as the costs to host an election when the political subdivision is the only entity to hold an election below:

METHOD 1 – Proportional Costs

The most recent April 2023 election cost **\$361,991.59**. The estimated cost per voter for that election was **\$1.22** where **296,714** voters were eligible to vote. This additional cost would only occur when the political subdivision has no candidates on the ballot and no other issues to present to voters for their vote, other than what is proposed in Chapter 324.

METHOD 2 – One Political Subdivision Costs

The upcoming August 2023 Election has a cost estimate of **\$253,367.47**. The estimated cost per voter for this upcoming election is **\$2.88** where **87,975** voters were eligible to vote. The increase is because there are less total voters eligible for this election.

Officials from **St. Louis County** indicated this initiative should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this will have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated the University of Missouri Health Care has reviewed the proposed legislation and has determined that as written it should not create expenses in excess of \$100,000.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and do not see any direct impact to the college.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and the State Technical College of Missouri.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

May 15, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

MAY 15 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Mark Pedersen regarding a proposed constitutional amendment to Article XIV (2024-112)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Mark Pedersen on May 15, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

2023 MAY 15 AM 9:09
REGISTERED

CIRCULATOR'S AFFIDAVIT STATE OF MISSOURI, COUNTY OF _____ I, _____, being first duly sworn, say (print or type names of signers)

NAME (Signature)	Date Signed	REGISTERED VOTING ADDRESS (Street, No PO Boxes) (city, Town or Village	Zip Code	Cong. District	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age, I do ____ do not ____ (check one) expect to be paid for circulating this petition. If paid, list the_payer _____

Signature of Affiant (Person obtaining signatures) Street Address of Affiant Subscribed and sworn to before me, this ____ day of _____, A.D. _____

Printed Name of Affiant City, State and Zip Code of Affiant _____ Signature of Notary _____ Address of Notary _____ Notary Expiration Date Notary (Seal)

Be it resolved by the people of the state of Missouri that the Constitution be amended:

This measure amends the Missouri Constitution by amending Article XIV (14), henceforth to be called Missouri Cannabis Restoration. This amendment explicitly repeals, in part and/or in whole, Amending Article XIV (14), Section 1 and Section 2, by deleting all matters within the enclosed brackets and adding all that is underlined as required pursuant to Section 116.050 RSMo.

[XIV Section 1. Right to access medical marijuana. — 1. Purposes.]

XIV Section 1. Missouri Cannabis Restoration.

1. Clarification as a substance.

[This section is intended to permit state-licensed physicians and nurse practitioners to recommend marijuana for medical purposes to patients with serious illnesses and medical conditions. The section allows patients with qualifying medical conditions the right to discuss freely with their physicians and nurse practitioners the possible benefits of medical marijuana use, the right of their physicians and nurse practitioners to provide professional advice concerning the same, and the right to use medical marijuana for treatment under the supervision of a physician or nurse practitioner.

This section is intended to make only those changes to Missouri laws that are necessary to protect patients, their primary caregivers, and their physicians and nurse practitioners from civil and criminal penalties, and to allow for the limited legal production, distribution, sale and purchase of marijuana for medical use. This section is not intended to change current civil and criminal laws governing the use of marijuana for nonmedical purposes. The section does not allow for the public use of marijuana and driving under the influence of marijuana.]

Cannabis shall immediately be removed from the Missouri Revised Statutes list of controlled substances and shall no longer be listed among Missouri's drug schedules. Cannabis shall hence forth be considered a food and not a controlled substance or a drug, by Missouri law, by the passage of this initiative.

[2. Definitions.] 2. Definitions.

(1) "Administer" means the direct application of marijuana to a qualifying patient by way of any of the following methods:

- (a) Ingestion of capsules, teas, oils, and other marijuana-infused products;
- (b) Vaporization or smoking of dried flowers, buds, plant material, extracts, oils, and other marijuana-infused products;
- (c) Application of ointments or balms;
- (d) Transdermal patches and suppositories;
- (e) Consuming marijuana-infused food products; or
- (f) Any other method recommended by a qualifying patient's physician or nurse practitioner.

(2) "Church" means a permanent building primarily and regularly used as a place of religious worship.

(3) "Daycare" means a child-care facility, as defined by section 210.201, RSMo, or successor provisions, that is licensed by the state of Missouri.

(4) "Department" means the department of health and senior services, or its successor agency.

(5) "Entity" means a natural person, corporation, professional corporation, nonprofit corporation, cooperative corporation, unincorporated association, business trust, limited liability company, general or limited partnership, limited liability partnership, joint venture, or any other legal entity.

(6) "Flowering plant" means a marijuana plant from the time it exhibits the first signs of sexual maturity through harvest.

(7) "Infused preroll" means a consumable or smokable marijuana product, generally consisting of: (1) a wrap or paper, (2) dried flower, buds, and/or plant material, and (3) a concentrate, oil or other type of marijuana extract, either within or on the surface of the product. Infused prerolls may or may not include a filter or crutch at the base of the product.

(8) "Marijuana" or "marihuana" means Cannabis indica, Cannabis sativa, and Cannabis ruderalis, hybrids of such species, and any other strains commonly understood within the scientific community to constitute marijuana, as well as resin extracted from the marijuana plant and marijuana-infused products. "Marijuana" or "marihuana" do not include industrial hemp, as defined by Missouri statute, or commodities or products manufactured from industrial hemp.

(9) "Marijuana-infused products" means products that are infused, dipped, coated, sprayed, or mixed with marijuana or an extract thereof, including, but not limited to, products that are able to be vaporized or smoked, edible products, ingestible products, topical products, suppositories, and infused prerolls.

(10) "Medical facility" means any medical marijuana cultivation facility, medical marijuana dispensary facility, or medical marijuana-infused products manufacturing facility, as defined in this section.

(11) "Medical marijuana cultivation facility" means a facility licensed by the department to acquire, cultivate, process, package, store on site or off site, transport to or from, and sell marijuana, marijuana seeds, and marijuana vegetative cuttings (also known as clones) to a medical marijuana dispensary facility, medical marijuana testing facility, medical marijuana cultivation facility, or to a medical marijuana-infused products manufacturing facility. A medical marijuana cultivation facility's authority to process marijuana shall include the production and sale of prerolls, but shall not include the manufacture of marijuana-infused products.

(12) "Medical marijuana dispensary facility" means a facility licensed by the department to acquire, process, package, store on site or off site, sell, transport to or from, and deliver marijuana, marijuana seeds, marijuana vegetative cuttings (also known as clones), marijuana-infused products, and drug paraphernalia used to administer marijuana as provided for in this section to a qualifying patient, a primary caregiver, anywhere on the licensed property or to any address as directed by the patient or primary caregiver, so long as the address is a location allowing for the legal possession of marijuana, another medical marijuana dispensary facility, a marijuana testing facility, a medical marijuana cultivation facility, or a medical marijuana-infused products manufacturing facility. Dispensary facilities may receive transaction orders at the dispensary in person, by phone, or via the internet, including from a third party. A medical marijuana dispensary facility's authority to process marijuana shall include the production and sale of prerolls, but shall not include the manufacture of marijuana-infused products.

(13) "Medical marijuana-infused products manufacturing facility" means a facility licensed by the department to acquire, process, package, store on site or off site, manufacture, transport to or from, and sell marijuana-infused products to a medical marijuana dispensary facility, a marijuana testing facility, a medical marijuana cultivation facility, or to another medical marijuana-infused products manufacturing facility.

(14) "Marijuana testing facility" means a facility certified by the department to acquire, test, certify, and transport marijuana, including those originally licensed as a medical marijuana testing facility.

(15) "Medical use" means the production, possession, delivery, distribution, transportation, or administration of marijuana or a marijuana-infused product, or drug paraphernalia used to administer marijuana or a marijuana-infused product, for the benefit of a qualifying patient to mitigate the symptoms or effects of the patient's qualifying medical condition.

(16) "Nurse practitioner" means an individual who is licensed and in good standing as an advanced practice registered nurse, or successor designation, under Missouri law.

(17) "Owner" means an individual who has a financial (other than security interest, lien, or encumbrance) or voting interest in ten percent or greater of a marijuana facility.

(18) "Physician" means an individual who is licensed and in good standing to practice medicine or osteopathy under Missouri law.

(19) "Physician or nurse practitioner certification" means a document, whether handwritten, electronic or in another commonly used format, signed by a physician or a nurse practitioner and stating that, in the physician's or nurse practitioner's professional opinion, the patient suffers from a qualifying medical condition.

(20) "Preroll" means a consumable or smokable marijuana product, generally consisting of: (1) a wrap or paper and (2) dried flower, buds, and/or plant material. Prerolls may or may not include a filter or crutch at the base of the product.

(21) "Primary caregiver" means an individual twenty-one years of age or older who has significant responsibility for managing the well-being of a qualifying patient and who is designated as such on the primary caregiver's application for an identification card under this section or in other written notification to the department.

(22) "Qualifying medical condition" means the condition of, symptoms related to, or side-effects from the treatment of:

- (a) Cancer;
- (b) Epilepsy;
- (c) Glaucoma;
- (d) Intractable migraines unresponsive to other treatment;
- (e) A chronic medical condition that causes severe, persistent pain or persistent muscle spasms, including but not limited to those associated with multiple sclerosis, seizures, Parkinson's disease, and Tourette's syndrome;
- (f) Debilitating psychiatric disorders, including, but not limited to, posttraumatic stress disorder, if diagnosed by a state licensed psychiatrist;
- (g) Human immunodeficiency virus or acquired immune deficiency syndrome;
- (h) A chronic medical condition that is normally treated with a prescription medication that could lead to physical or psychological dependence, when a physician or nurse practitioner determines that medical use of marijuana could be effective in treating that condition and would serve as a safer alternative to the prescription medication;
- (i) Any terminal illness; or
- (j) In the professional judgment of a physician or nurse practitioner, any other chronic, debilitating or other medical condition, including, but not limited to, hepatitis C, amyotrophic lateral sclerosis, inflammatory bowel disease, Crohn's disease, Huntington's disease, autism, neuropathies, sickle cell anemia, agitation of Alzheimer's disease, cachexia, and wasting syndrome.

(23) "Qualifying patient" means an individual diagnosed with at least one qualifying medical condition.

(24) "Unduly burdensome" (when referring to a facility licensee or certificate holder) means the measures necessary to comply with the rules or ordinances adopted pursuant to this section subject the party to such a high investment or expense of money, time, or any other resource or asset that a reasonably prudent businessperson would not operate the facility; and (when referring to qualifying

patients, primary caregivers, physicians, nurse practitioners, or other party) "unduly burdensome" means the measures necessary to comply with the rules or ordinances adopted pursuant to this section undermine the purpose of this section.]

- (a) "Controlled Substance List", or "CSL," refers to Missouri's list of controlled substances as it pertains to Missouri Statutes.
- (b) "Cannabis" and "Cannabis hemp" refer to Cannabis, marihuana, marijuana, Cannabis sativa, Cannabis sativa L., Cannabis Americana, Cannabis Gigantea, Cannabis indica, Cannabis ruderalis, or any variety of Cannabis including any derivative, concentrate, extract, flower, leaf, particle, preparation, resin, root, salt, seed, stalk, stem, or any product thereof.
- (c) "Medical Cannabis" refers to Cannabis used to prevent or to treat a medical condition.
- (d) "Personal use" refers to the personal use or private, non-commercial use and/or consumption of Cannabis.
- (e) "Cannabis accessories" means any equipment, products, or materials of any kind that are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, or containing of Cannabis, and/or ingesting, inhaling, vaporizing, smoking or otherwise introducing of Cannabis into and/or onto the human body.
- (f) "Establishment" refers to a cultivation facility, a testing facility, a product manufacturing facility, or a retail store, or other entity that cultivates, prepares, manufactures, packages, transports or sells Cannabis food products and/or accessories.
- (g) Cannabis community Co-ops refer to private and/or public groups of family, friends, neighbors and/or like-minded individuals who work together to grow medicinal and/or personal use Cannabis, and the production of Cannabis components and/or accessories.
- (h.) An Excise tax is a "sin tax"; a tax imposed on a commodity for which the community, county, state or Federal Government wishes to discourage it's use.

13. Creating Patient Access to Medical Marijuana.] **3. Personal Cannabis Use.**

(1) In carrying out the implementation of this section, the department shall have the authority to:

- (a) Grant or refuse state licenses and certifications for the cultivation, manufacture, dispensing, sale, testing, tracking, and transportation of marijuana and marijuana-infused products for medical use, as provided by this section and general law; suspend, impose an authorized fine, restrict, or revoke such licenses and certifications upon a violation of this section, general law, or a rule promulgated pursuant to this section; and impose any administrative penalty authorized by this section or any general law enacted or rule promulgated pursuant to this section, so long as any procedure related to a suspension or revocation includes a reasonable cure period, not less than thirty days, prior to the suspension or revocation, except in instances where there is a credible and imminent threat to public health or public safety.
- (b) Promulgate rules and emergency rules necessary for the proper regulation and control of the cultivation, manufacture, dispensing, and sale of marijuana for medical use and for the enforcement of this section so long as patient access is not restricted unreasonably and such rules are reasonably necessary for patient safety or to restrict access to only licensees and qualifying patients.
- (c) Develop such forms, certificates, licenses, identification cards, and applications as are necessary for, or reasonably related to, the administration of this section or any of the rules promulgated under this section.
- (d) Require a seed-to-sale tracking system that tracks medical marijuana from either the seed or immature plant stage until the medical marijuana or medical marijuana-infused product is sold to a qualifying patient or primary caregiver to ensure that no medical marijuana grown by a medical marijuana cultivation facility or manufactured by a medical marijuana-infused products manufacturing facility is sold or otherwise transferred except by a medical marijuana dispensary facility. The department shall certify, if possible, at least two commercially available systems to licensees as compliant with its tracking standards and issue standards for the creation or use of other systems by licensees.
- (e) Issue standards for the secure transportation of marijuana and marijuana-infused products. The department shall certify entities which demonstrate compliance with its transportation standards to transport marijuana and marijuana infused products to or from a medical marijuana cultivation facility, a medical marijuana-infused products manufacturing facility, a medical marijuana dispensary facility, a marijuana testing facility, or another entity with a transportation certification. The department shall develop or adopt from any other governmental agency such safety and security standards as are reasonably necessary for the transportation of marijuana and marijuana-infused products. Any entity licensed or certified pursuant to this section shall be allowed to transport and store marijuana, marijuana seeds, marijuana vegetative cuttings (also known as clones) and marijuana-infused products for purposes related to transportation in compliance with department regulations on storage of marijuana and marijuana-infused products.
- (f) The department may charge a fee not to exceed \$5,000 for any certification issued pursuant to this section.
- (g) Prepare and transmit annually a publicly available report accounting to the governor for the efficient discharge of all responsibilities assigned to the department under this section.
- (h) Establish a lottery selection process to select medical marijuana licensee and certificate applicants, only in cases where more applicants apply than the minimum number of licenses or certificates as calculated by this section. To be eligible for the medical marijuana license lottery process, an applicant cannot have an owner who has pleaded or been found guilty of a disqualifying felony. A "disqualifying felony offense" is a violation of, and conviction or guilty plea to, state or federal law that is, or would have been, a felony under Missouri law, regardless of the sentence imposed, unless the department determines that:
 - a. The person's conviction was for a marijuana offense, other than provision of marijuana to a minor; or
 - b. The person's conviction was for a non-violent crime for which he or she was not incarcerated and that is more than five years old; or
 - c. More than five years have passed since the person was released from parole or probation, and he or she has not been convicted of any subsequent felony criminal offenses.

The department may consult with and rely on the records, advice, and recommendations of the attorney general and the department of public safety, or their successor entities, in carrying out the provisions of this subdivision.

In establishing a lottery selection process to select medical marijuana licensee and certificate applicants and awarding licenses and certificates, the department may consult or contract with other public agencies with relevant expertise. The department shall lift or ease any limit on the number of licensees or certificate holders in order to meet the demand for marijuana for medical use by qualifying patients.

- (2) The department shall issue any rules or emergency rules necessary for the implementation and enforcement of this section and to ensure the right to, availability, and safe use of marijuana for medical use by qualifying patients. In developing such rules or emergency rules, the department may consult with other public agencies. In addition to any other rules or emergency rules necessary to carry out the mandates of this section, the department may issue rules or emergency rules relating to the following subjects:
 - (a) Compliance with, enforcement of, or violation of any provision of this section or any rule issued pursuant to this section, including procedures and grounds for denying, suspending, imposing an authorized fine, and restricting, or revoking a state license or certification issued pursuant to this section, so long as any procedure related to a suspension or revocation includes a reasonable cure period, not less than thirty days, prior to the suspension or revocation, except in instances where there is a credible and imminent threat to public health or public safety;
 - (b) Specifications of duties of officers and employees of the department;
 - (c) Instructions or guidance for local authorities and law enforcement officers;
 - (d) Requirements for inspections, investigations, searches, seizures, and such additional enforcement activities as may become necessary from time to time;
 - (e) As otherwise authorized by this section or general law, administrative penalties and policies for use by the department;
 - (f) Prohibition of misrepresentation and unfair practices;
 - (g) Control of informational and product displays on licensed premises provided that the rules may not prevent or unreasonably restrict appropriate signs on the property of the medical marijuana dispensary facility, product display and examination by the qualifying patient and/or primary caregiver, listings in business directories including phone books, listings in marijuana-related or medical publications, or the sponsorship of health or not for profit charity or advocacy events. While the department shall have the general power to regulate the advertising and promotion of marijuana sales, under all circumstances, any such regulation shall be no more stringent than comparable state regulations on the advertising and promotion of alcohol sales;
 - (h) Development of individual identification cards for owners, officers, managers, contractors, employees, and other support staff of entities licensed or certified pursuant to this section, including a fingerprint-based federal and state criminal record check in accordance with U.S. Public Law 92-544, or its successor provisions, as may be required by the department prior to issuing a card and procedures to ensure that cards for new applicants are issued within fourteen days. Applicants licensed pursuant to this section shall submit fingerprints to the Missouri state highway patrol for the purpose of conducting a state and federal fingerprint-based criminal background check. The Missouri state highway patrol, if necessary, shall forward the fingerprints to the Federal Bureau of Investigation (FBI) for the purpose of conducting a fingerprint-based criminal background check. Fingerprints shall be submitted pursuant to section 43.543, RSMo, or its successor provisions, and fees shall be paid pursuant to section 43.530, RSMo, or its successor provisions. Unless otherwise required by law, no individual shall be required to submit fingerprints more than once;
 - (i) Security requirements for any premises licensed or certified pursuant to this section, including, at a minimum, lighting, physical security, video, alarm requirements, and other minimum procedures for internal control as deemed necessary by the department to properly administer and enforce the provisions of this section, including reporting requirements for changes, alterations, or modifications to the premises;
 - (j) Regulation of the storage of, warehouses for, and transportation of marijuana for medical use;
 - (k) Sanitary requirements for, including, but not limited to, the preparation of medical marijuana-infused products;
 - (l) The specification of acceptable forms of picture identification that a medical marijuana dispensary facility may accept when verifying a sale;
 - (m) Labeling and packaging standards;
 - (n) Records to be kept by licensees and the required availability of the records;

- (o) State licensing procedures, including procedures for renewals, reinstatements, initial licenses, and the payment of licensing fees;
 - (p) The reporting and transmittal of tax payments;
 - (q) Authorization for the department of revenue to have access to licensing information to ensure tax payment and the effective administration of this section; and
 - (r) Such other matters as are necessary for the fair, impartial, stringent, and comprehensive administration of this section.
- (3) The department shall issue rules or emergency rules for a medical marijuana and medical marijuana-infused products independent testing and certification program for medical marijuana licensees and requiring licensees to test medical marijuana using one or more impartial, independent laboratories to ensure, at a minimum, that products sold for human consumption do not contain contaminants that are injurious to health, to ensure correct labeling and measure potency. The department shall not require any medical marijuana or medical marijuana-infused products to be tested more than once prior to sale.
- (4) The department shall issue rules or emergency rules to provide for the certification of and standards for marijuana testing facilities, including the requirements for equipment and qualifications for personnel, but shall not require certificate holders to have any federal agency licensing or have any relationship with a federally licensed testing facility. The department shall certify, if possible, at least two entities as marijuana testing facilities. No marijuana testing facility shall be owned by an entity or entities under substantially common control, ownership, or management as a medical marijuana cultivation facility, medical marijuana-infused product manufacturing facility, or medical marijuana dispensary facility.
- (5) Any information released by the department related to patients may only be for a purpose authorized by federal law and this section, including verifying that a person who presented a patient identification card to a state or local law enforcement official is lawfully in possession of such card. Beginning December 8, 2022, all public records produced or retained pursuant to this section are subject to the general provisions of the Missouri Sunshine Law, chapter 610, RSMo, or its successor provisions. Notwithstanding the foregoing, records containing proprietary business information obtained from an applicant or licensee shall be closed. For documents submitted on or after December 8, 2022, the applicant or licensee shall label business information it believes to be proprietary prior to submitting it to the department. For documents submitted prior to December 8, 2022, the applicant or licensee may advise the department, through a department approved process, of any records previously submitted by the applicant or licensee it believes contain proprietary business information. Proprietary business information shall include sales information, financial records, tax returns, credit reports, license applications, cultivation information unrelated to product safety, testing results unrelated to product safety, site security information and plans, and individualized consumer information. The presence of proprietary business information shall not justify the closure of public records:
- (a) Identifying the applicant or licensee;
 - (b) Relating to any citation, notice of violation, tax delinquency, or other enforcement action;
 - (c) Relating to any public official's support or opposition relative to any applicant, licensee, or their proposed or actual operations;
 - (d) Where disclosure is reasonably necessary for the protection of public health or safety; or
 - (e) That are otherwise subject to public inspection under other applicable law.
- (6) Within one hundred eighty days of December 6, 2018, the department shall make available to the public license application forms and application instructions for medical marijuana cultivation facilities, marijuana testing facilities, medical marijuana dispensary facilities, and medical marijuana-infused products manufacturing facilities.
- (7) Within one hundred eighty days of December 6, 2018, the department shall make available to the public application forms and application instructions for qualifying patient, qualifying patient cultivation, and primary caregiver identification cards. Within two hundred ten days of December 6, 2018, the department shall begin accepting applications for such identification cards.
- (8) An entity may apply to the department for and obtain one or more licenses to grow marijuana as a medical marijuana cultivation facility. Each facility in operation shall require a separate license, but multiple licenses may be utilized in a single facility. Each indoor facility utilizing artificial lighting may be limited by the department to thirty thousand square feet of flowering plant canopy space. Each outdoor facility utilizing natural lighting may be limited by the department to two thousand eight hundred flowering plants. Each greenhouse facility using a combination of natural and artificial lighting may be limited by the department, at the election of the licensee, to two thousand eight hundred flowering plants or thirty thousand square feet of flowering plant canopy. The license shall be valid for three years from its date of issuance and shall be renewable, except for good cause. The department shall charge each applicant a nonrefundable fee of ten thousand dollars per license application or renewal for all applicants filing an application within three years of December 6, 2018, and shall charge each applicant a nonrefundable fee of five thousand dollars per license application or renewal thereafter. Once granted, the department shall charge each licensee an annual fee of twenty-five thousand dollars per facility license. Application and license fees shall be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency. An entity or entities under substantially common control, ownership, or management may not be an owner of more than ten percent of the total marijuana cultivation facility licenses outstanding under both sections 1 and 2 of this Article at any given time, rounded down to the nearest whole number.
- (9) An entity may apply to the department for and obtain one or more licenses to operate a medical marijuana dispensary facility. Each facility in operation shall require a separate license. A license shall be valid for three years from its date of issuance and shall be renewable, except for good cause. The department shall charge each applicant a nonrefundable fee of six thousand dollars per license application or renewal for each applicant filing an application within three years of December 6, 2018, and shall charge each applicant a nonrefundable fee of three thousand dollars per license application or renewal thereafter. Once granted, the department shall charge each licensee an annual fee of ten thousand dollars per facility license. Application and license fees shall be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency. An entity or entities under substantially common control, ownership, or management may not be an owner of more than ten percent of the total marijuana dispensary facility licenses outstanding under both sections 1 and 2 of this Article at any given time, rounded down to the nearest whole number.
- (10) An entity may apply to the department for and obtain one or more licenses to operate a medical marijuana-infused products manufacturing facility. Each facility in operation shall require a separate license. A license shall be valid for three years from its date of issuance and shall be renewable, except for good cause. The department shall charge each applicant a nonrefundable fee of six thousand dollars per license application or renewal for each applicant filing an application within three years of December 6, 2018, and shall charge each applicant a nonrefundable fee of three thousand dollars per license application or renewal thereafter. Once granted, the department shall charge each licensee an annual fee of ten thousand dollars per facility license. Application and license fees shall be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency. An entity or entities under substantially common control, ownership, or management may not be an owner of more than ten percent of the total marijuana-infused products manufacturing facility licenses outstanding under both sections 1 and 2 of this Article at any given time, rounded down to the nearest whole number.
- (11) Any applicant for a license authorized by this section may prefile their application fee with the department beginning 30 days after December 6, 2018.
- (12) Except for good cause, a qualifying patient or his or her primary caregiver may obtain an identification card from the department to cultivate up to six flowering marijuana plants, six nonflowering marijuana plants (over fourteen inches tall), and six clones (plants under fourteen inches tall) for the exclusive use of that qualifying patient. The card shall be valid for three years from its date of issuance and shall be renewable with the submittal of a new or updated physician or nurse practitioner certification. The department shall charge a fee for the card of fifty dollars, with such rate to be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency.
- (13) The department may set a limit on the amount of marijuana that may be purchased by or on behalf of a single qualifying patient in a thirty-day period, provided that limit is not less than six ounces of dried, unprocessed marijuana, or its equivalent. Any such limit shall not apply to a qualifying patient with written certification from a physician or nurse practitioner that there are compelling reasons why the qualifying patient needs a greater amount than the limit established by the department.
- (14) The department may set a limit on the amount of marijuana that may be possessed by or on behalf of each qualifying patient, provided that limit is not less than a sixty-day supply of dried, unprocessed marijuana, or its equivalent. A primary caregiver may possess a separate legal limit for each qualifying patient under their care and a separate legal limit for themselves if they are a qualifying patient. Qualifying patients cultivating marijuana for medical use may possess up to a ninety-day supply, so long as the supply remains on property under their control. Any such limit shall not apply to a qualifying patient with written certification from an independent physician or nurse practitioner that there are compelling reasons for additional amounts. Possession of between the legal limit and up to twice the legal limit shall subject the possessor to department sanctions, including an administrative penalty of up to two hundred dollars and loss of their patient identification card for up to a year. Purposefully possessing amounts in excess of twice the legal limit shall be punishable as an infraction under applicable law.
- (15) The department may restrict the aggregate number of licenses granted for medical marijuana cultivation facilities and comprehensive marijuana cultivation facilities authorized by section 2 combined, provided, however, that the number may not be limited to fewer than one license per every one hundred thousand inhabitants, or any portion thereof, of the state of Missouri, according to the most recent census of the United States. A decrease in the number of inhabitants in the state of Missouri shall have no impact.
- (16) The department may restrict the aggregate number of licenses granted for medical marijuana-infused products manufacturing facilities and comprehensive marijuana-infused products manufacturing facilities authorized by section 2 combined, provided, however, that the number may not be limited to fewer than one license per every seventy thousand inhabitants, or any portion thereof, of the state of Missouri, according to the most recent census of the United States. A decrease in the number of inhabitants in the state of Missouri shall have no impact.
- (17) The department may restrict the aggregate number of licenses granted for medical marijuana dispensary facilities and comprehensive marijuana dispensary facilities authorized by section 2 combined, provided, however, that the number may not be limited to fewer than twenty-four licenses in each United States congressional district in the state of Missouri pursuant to the map of each of the eight congressional districts as drawn and effective on December 6, 2018. Future changes to the boundaries of or the number of congressional districts shall have no impact.
- (18) The department shall begin accepting license and certification applications for medical marijuana dispensary facilities, marijuana testing facilities, medical marijuana cultivation facilities, medical marijuana-infused products manufacturing facilities, seed-to-sale tracking systems, and for transportation of marijuana no later than two hundred forty days after December 6, 2018. Applications for licenses and certifications under this section shall be approved or denied by the department no later than one hundred fifty days after their submission. If the department fails to carry out its nondiscretionary duty to approve or deny an application within one hundred fifty days of submission, an applicant may immediately seek a court order compelling the department to approve or deny the application.
- (19) Qualifying patients under this section shall obtain an identification card or cards from the department. The department shall charge a fee of twenty-five dollars per card. Such fee may be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor or

its successor agency. Cards shall be valid for three years and may be renewed with a new physician or nurse practitioner certification. Upon receiving an application for a qualifying patient identification card or qualifying patient cultivation identification card, the department shall, within thirty days, either issue the card or provide a written explanation for its denial. If the department fails to deny and fails to issue a card to an eligible qualifying patient within thirty days, then their physician or nurse practitioner certification shall serve as their qualifying patient identification card or qualifying patient cultivation identification card for up to one year from the date of physician or nurse practitioner certification. All initial applications for or renewals of a qualifying patient identification card or qualifying patient cultivation identification card shall be accompanied by a physician or nurse practitioner certification that is less than thirty days old.

(20) Primary caregivers under this section shall obtain an identification card from the department. Cards shall be valid for three years. The department shall charge a fee of twenty-five dollars per card. Such fee may be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency. Upon receiving an application for a primary caregiver identification card, the department shall, within thirty days, either issue the card or provide a written explanation for its denial.

(21) Except as otherwise provided in this Article, all marijuana for medical use sold in Missouri shall be cultivated in a licensed medical marijuana cultivation facility located in Missouri.

(22) Except as otherwise provided in this Article, all marijuana-infused products for medical use sold in the state of Missouri shall be manufactured in a medical marijuana-infused products manufacturing facility.

(23) The denial of a license, license renewal, or identification card by the department shall be appealable to the administrative hearing commission, or its successor entity. Following the exhaustion of administrative review, denial of a license, license renewal, or identification card by the department shall be subject to judicial review as provided by law.

(24) No elected official shall interfere directly or indirectly with the department's obligations and activities under this section.

(25) The department shall not have the authority to apply or enforce any unduly burdensome rule or regulation or administrative penalty upon any one or more licensees or certificate holders, any qualifying patients, or their primary caregivers, or act to undermine the purposes of this section.]

The following acts are not unlawful and shall not be an offense under Missouri law:

(a) Possession and/or consumption of Cannabis for personal, medical and/or adult use.

(b) Cultivating and/or processing Cannabis for personal and/or medical use.

(c) Sharing Cannabis with friends, neighbors, the poor, the homeless and/or the general public, including neighborhood or community gardens and Cannabis community Co-ops.

(f) Leasing or otherwise allowing the use of property owned, occupied or controlled by any person, corporation or other entity for any of the activities conducted lawfully in accordance with paragraphs (a) through (e) of this subsection.

(g) No one shall be denied housing solely based on their use of Cannabis.

(h) No one shall be denied employment solely based on their use of Cannabis.

(i) The use and/or possession of Cannabis shall in no way impede one's legal right to possess a firearm.

(j) The use and/or possession of Cannabis shall in no way impede one's legal right to parental custody, visitation, fostering or adoption of a child.

14. Taxation and Reporting.] 4. Limitations, Parental and/or Guardian Responsibility.

[I(1) A tax is levied upon the retail sale of marijuana for medical use sold at medical marijuana dispensary facilities within the state. The tax shall be at a rate of four percent of the retail price. The tax shall be collected by each licensed medical marijuana dispensary facility and paid to the department of revenue. After retaining no more than two percent for its actual collection costs, amounts generated by the medical marijuana tangible personal property retail sales tax levied in this section shall be deposited by the department of revenue into the Missouri veterans' health and care fund. Licensed entities making retail sales within the state shall be allowed approved credit for returns provided the tax was paid on the returned item and the purchaser was given the refund or credit.

(2) There is hereby created in the state treasury the "Missouri Veterans' Health and Care Fund", which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The commissioner of administration is authorized to make cash operating transfers to the fund for purposes of meeting the cash requirements of the department in advance of it receiving annual application, licensing, and tax revenue, with any such transfers to be repaid as provided by law. The fund shall be a dedicated fund and shall stand appropriated without further legislative action as follows:

(a) First, to the department, an amount necessary for the department to carry out this section, including repayment of any cash operating transfers, payments made through contract or agreement with other state and public agencies necessary to carry out this section, and a reserve fund to maintain a reasonable working cash balance for the purpose of carrying out this section;

(b) Next, the remainder of such funds shall be transferred to the Missouri veterans commission for health and care services for military veterans, including the following purposes: operations, maintenance and capital improvements of the Missouri veterans homes, the Missouri service officer's program, and other services for veterans approved by the commission, including, but not limited to, health care services, mental health services, drug rehabilitation services, housing assistance, job training, tuition assistance, and housing assistance to prevent homelessness. The Missouri veterans commission shall contract with other public agencies for the delivery of services beyond its expertise.

(c) All monies from the taxes authorized under this subsection shall provide additional dedicated funding for the purposes enumerated above and shall not replace existing dedicated funding.

(3) For all retail sales of marijuana for medical use, a record shall be kept by the seller which identifies, by secure and encrypted patient number issued by the seller to the qualifying patient involved in the sale, all amounts and types of marijuana involved in the sale and the total amount of money involved in the sale, including itemizations, taxes collected and grand total sale amounts. All such records shall be kept on the premises in a readily available format and be made available for review by the department and the department of revenue upon request. Such records shall be retained for five years from the date of the sale.

(4) The tax levied pursuant to this subsection is separate from, and in addition to, any general state and local sales and use taxes that apply to retail sales, which shall continue to be collected and distributed as provided by general law.

(5) Except as authorized in this subsection, no additional taxes shall be imposed on the sale of marijuana for medical use.

(6) The fees and taxes provided for in this Article XIV, Section 1 shall be fully enforceable notwithstanding any other provision in this Constitution purportedly prohibiting or restricting the taxes and fees provided for herein.

(7) The unexpended balance existing in the fund shall be exempt from the provisions of section 33.080, RSMo, or its successor provisions, relating to the transfer of unexpended balances to the general revenue fund.

(8) For taxpayers authorized to do business pursuant to this Article, the amount that would have been deducted in the computation of federal taxable income pursuant to 26 U.S.C. Section 280E of the Internal Revenue Code as in effect on January 1, 2021, or successor provisions, but is disallowed because cannabis is a controlled substance under federal law, shall be subtracted from the taxpayer's federal adjusted gross income, in determining the taxpayer's Missouri adjusted gross income.]

Missouri recognizes and empowers parents and/or legal guardians in their authority and influence over the children for whom they care regarding euphoric substances.

(a.) Parents and/or legal guardians are required by law to educate the children under their direction to abide by rules of proper behavior, both in public and in private.

(b.) Personal and religious views, and their influence on children regarding Cannabis will not be the responsibility of the state of Missouri.

(c.) Parents and/or legal guardians will be directly responsible for the children for whom they are legally bound, to provide support and proper education regarding Cannabis and its use.

(d.) Recognizing that both children and adults can benefit from Cannabis therapies, possession and/or consumption in schools, public and/or private would be permitted in designated areas. Guidance and supervision should be provided when a parent is not available.

(e.) There will be no permits or restrictions required regarding personal Cannabis cultivation beyond that which would be required regarding a personal or community vegetable garden.

(f.) Cannabis coops, where family, friends or neighbors produce for each other and those who cannot physically or economically grow their own Cannabis, will be encouraged wherever personal and/or community vegetable gardens are permitted.

[5. Additional Patient, Physician, Nurse Practitioner, Caregiver and Provider Protections.] 5. Medical Cannabis.

[I(1) Except as provided in this section, the possession of marijuana in quantities less than the limits of this section, or established by the department, and transportation of marijuana by the qualifying patient or primary caregiver shall not subject the possessor to arrest, criminal or civil liability, or sanctions under Missouri law, provided that the possessor produces on demand to the appropriate authority a valid qualifying patient identification card; a valid qualifying patient cultivation identification card; a valid physician or nurse practitioner certification while making application for an identification card; or a valid primary caregiver identification card. Production of the respective substantially equivalent identification card or authorization issued by another state or political subdivision of another state shall also meet the requirements of this subdivision and shall allow for the purchase of medical marijuana for use by a non-resident patient from a medical marijuana dispensary facility as permitted by this section and in compliance with department regulations.

(2) No patient shall be denied access to or priority for an organ transplant or other medical care because they hold a qualifying patient identification card or use marijuana for medical use.

(3) A physician or nurse practitioner shall not be subject to criminal or civil liability or sanctions under Missouri law or discipline by the Missouri state board of registration for the healing arts, the Missouri state board of nursing, or their respective successor agencies, for owning, operating, investing in, being employed by, or contracting with any entity licensed or certified pursuant to this section or issuing a physician or nurse practitioner certification to a patient diagnosed with a qualifying medical condition in a manner consistent with this section and legal standards of professional conduct.

(4) A health care provider shall not be subject to civil or criminal prosecution under Missouri law, denial of any right or privilege, civil or administrative penalty or sanction, or disciplinary action by any accreditation or licensing board or commission for owning, operating, investing in, being employed by, or contracting with any entity licensed or certified pursuant to this section or providing health care services that involve the medical use of marijuana consistent with this section and legal standards of professional conduct.

(5) A marijuana testing facility shall not be subject to civil or criminal prosecution under Missouri law, denial of any right or privilege, civil or administrative penalty or sanction, or disciplinary action by any accreditation or licensing board or commission for providing laboratory testing services that relate to the medical use of marijuana consistent with this section and otherwise meeting legal standards of professional conduct.

- (6) A health care provider shall not be subject to mandatory reporting requirements for the medical use of marijuana by nonemancipated qualifying patients under eighteen years of age in a manner consistent with this section and with consent of a parent or guardian.
- (7) A primary caregiver shall not be subject to criminal or civil liability or sanctions under Missouri law for purchasing, transporting, or administering marijuana for medical use to a qualifying patient or participating in the patient cultivation of up to six flowering marijuana plants, six nonflowering marijuana plants (over fourteen inches tall), and six clones (plants under fourteen inches tall) per patient and no more than twenty-four flowering plants for more than one qualifying patient in a manner consistent with this section and generally established legal standards of personal or professional conduct.
- (8) Notwithstanding any provision of Article V to the contrary, an attorney shall not be subject to disciplinary action by the Supreme Court of Missouri, the office of chief disciplinary counsel, the state bar association, any state agency, or any professional licensing body for any of the following:
- (a) Owning, operating, investing in, being employed by, or contracting with prospective or licensed marijuana testing facilities, medical marijuana cultivation facilities, medical marijuana dispensary facilities, medical marijuana-infused products manufacturing facilities, or transportation certificate holders;
 - (b) Counseling, advising, and/or assisting a client in conduct permitted by Missouri law that may violate or conflict with federal or other law, as long as the attorney advises the client about that federal or other law and its potential consequences;
 - (c) Counseling, advising, and/or assisting a client in connection with applying for, owning, operating, or otherwise having any legal, equitable, or beneficial interest in marijuana testing facilities, medical marijuana cultivation facilities, medical marijuana dispensary facilities, medical marijuana-infused products manufacturing facilities, or transportation certificates; or
 - (d) Counseling, advising or assisting a qualifying patient, primary caregiver, physician, nurse practitioner, health care provider or other client related to activity that is no longer subject to criminal penalties under Missouri law pursuant to this Article.
- (9) Actions and conduct by qualifying patients, primary caregivers, marijuana testing facilities, medical marijuana cultivation facilities, medical marijuana-infused products manufacturing facilities, or medical marijuana dispensary facilities licensed or registered with the department, or their employees or agents, as permitted by this section and in compliance with department regulations and other standards of legal conduct, shall not be subject to criminal or civil liability or sanctions under Missouri law, except as provided for by this section.
- (10) Nothing in this section shall provide immunity for negligence, either common law or statutorily created, nor criminal immunities for operating a vehicle, aircraft, dangerous device, or navigating a boat under the influence of marijuana.
- (11) It is the public policy of the state of Missouri that contracts related to marijuana for medical use that are entered into by qualifying patients, primary caregivers, marijuana testing facilities, medical marijuana cultivation facilities, medical marijuana-infused products manufacturing facilities, or medical marijuana dispensary facilities and those who allow property to be used by those entities, should be enforceable. It is the public policy of the state of Missouri that no contract entered into by qualifying patients, primary caregivers, marijuana testing facilities, medical marijuana cultivation facilities, medical marijuana-infused products manufacturing facilities, or medical marijuana dispensary facilities, or by a person who allows property to be used for activities that are exempt from state criminal penalties by this section, shall be unenforceable on the basis that activities related to medical marijuana may be prohibited by federal law.
- (12) In the process of requesting a search or arrest warrant relating to the production, possession, transportation or storage of marijuana, a state or local law enforcement official shall verify with the department whether the targeted person is a qualifying patient or primary caregiver holding an identification card allowing for cultivation of marijuana plants under subdivision (12) of subsection 3 of this section, and shall inform the issuing authority accordingly when making the warrant request. Evidence of marijuana alone, without specific evidence indicating that the marijuana is outside of what is lawful for medical or adult use, cannot be the basis for a search of a patient or non-patient, including their home, vehicle or other property. Lawful marijuana related activities cannot be the basis for a violation of parole, probation, or any type of supervised release. State and local law enforcement shall only have access to such department information as is necessary to confirm whether the targeted person holds registration card.
- (13) Registered qualifying patients on bond for pre-trial release, on probation, or other form of supervised release shall not be prohibited from legally using a lawful marijuana product as a term or condition of release, probation, or parole. An alternative sentencing drug court program may not prohibit individuals under its jurisdiction from using a lawful marijuana product as long as the individual is a registered qualifying patient.
- (14) A family court participant or party who requires treatment for a qualified medical condition in accordance with this section shall not be required to refrain from using medical marijuana as a term or condition of successful completion of the family court program. The status and conduct of a qualified patient who acts in accordance with this section shall not, by itself, be used to restrict or abridge custodial or parental rights to minor children in any action or proceeding under the jurisdiction of a family court under chapter 487, RSMo, including domestic matters under chapter 452, RSMo, or a juvenile court under chapter 211, RSMo, or successor provisions.
- (15) A person shall not be denied adoption, custody, or visitation rights relative to a minor solely for conduct that is permitted by this section.
- (16) No person shall be denied their rights under Article 1, Section 23 of the Missouri Constitution, or successor provisions, solely for conduct that is permitted by this section.]

Medical Cannabis shall be available to patients without taxation who have a physician's recommendation for its use. Recommendations can be in the form of a card or letter, clearly identifying that the patient requires Cannabis and is under the care of the mentioned physician, listing both the physician and patient's address, email address, phone number, signatures and date of signature.

- (a) All patients engaged in Cannabis therapy shall be afforded the same rights and privileges afforded to any patient treated through conventional therapeutic means, whether or not the patient is under the care of a physician.
- (b) If an employee is a valid Cannabis patient and requires medicating with Cannabis during the course of their work time, the employee will be afforded sufficient time to medicate and a safe place to medicate. Concessions regarding the location should be agreed on by both the employer and the employee without restricting the ability of the employee to properly medicate.
- (c) Licensed physicians shall not be penalized for, nor restricted from recommending and/or providing Cannabis for medical purposes for any person under their care.
- (d) Veterinarians shall not be penalized for, nor restricted from recommending and/or providing Cannabis for medical purposes for any creature under their care.
- (e) Any individual who is a Cannabis patient in another state shall be granted the same rights and privileges as a legal Missouri Cannabis patient.
- (f) Medical care, including organ transplants, shall not be restricted in any way based on a person's use of Cannabis.

16. Legislation.

[Nothing in this section shall limit the general assembly from enacting laws consistent with this section, or otherwise effectuating the patient rights of this section. The legislature shall not enact laws that hinder the right of qualifying patients to access marijuana for medical use as granted by this section.

7. Additional Provisions.1 6. Zoning.

[(1) Nothing in this section permits a person to:

- (a) Consume marijuana for medical use in a jail or correctional facility;
 - (b) Undertake any task under the influence of marijuana when doing so would constitute negligence or professional malpractice; or
 - (c) Operate, navigate, or be in actual physical control of any dangerous device or motor vehicle, aircraft or motorboat while under the influence of marijuana. Notwithstanding the foregoing, an arrest or a conviction of a person who has a valid qualifying patient identification card for any applicable offenses shall require evidence that the person was in fact under the influence of marijuana at the time the person was in actual physical control of the dangerous device or motor vehicle, aircraft or motorboat and not solely on the presence of tetrahydrocannabinol (THC) or THC metabolites, or a combination thereof, in the person's system; or
 - (d) Bring a claim against any employer, former employer, or prospective employer for wrongful discharge, discrimination, or any similar cause of action or remedy, based on the employer, former employer, or prospective employer prohibiting the employee, former employee, or prospective employee from being under the influence of marijuana while at work or disciplining the employee or former employee, up to and including termination from employment, for working or attempting to work while under the influence of marijuana.
- (2) No medical marijuana cultivation facility, marijuana testing facility, medical marijuana dispensary facility, or medical marijuana-infused products manufacturing facility, or entity with a transportation certification shall be owned, in whole or in part, or have as an officer, director, board member, manager, or employee, any individual with a disqualifying felony offense. A "disqualifying felony offense" is a violation of, and conviction or guilty plea to, state or federal law that is, or would have been, a felony under Missouri law, regardless of the sentence imposed, unless the department determines that:
- (a) The person's conviction was for the medical use of marijuana or assisting in the medical use of marijuana; or
 - (b) The person's conviction was for a nonviolent crime for which he or she was not incarcerated and that is more than five years old; or
 - (c) More than five years have passed since the person was released from parole or probation, and he or she has not been convicted of any subsequent criminal offenses.

The department may consult with and rely on the records, advice and recommendations of the attorney general and the department of public safety, or their successor entities, in applying this subdivision.

(3) No medical marijuana cultivation facility, medical marijuana dispensary facility, or medical marijuana-infused products manufacturing facility shall manufacture, package or label marijuana or marijuana-infused products in a false or misleading manner. No person shall sell any product in a manner designed to cause confusion between a marijuana or marijuana-infused product and any product not containing marijuana. A violation of this subdivision shall be punishable by an appropriate and proportional department sanction, up to and including an administrative penalty of five thousand dollars and loss of license.

(4) All edible marijuana-infused products shall be sold in individual, child-resistant containers that are labeled with dosage amounts, instructions for use, and estimated length of effectiveness. All marijuana and marijuana-infused products shall be sold in containers clearly and conspicuously labeled as mandated by the department as containing "Marijuana", or a "Marijuana-Infused roduct". Violation of this prohibition shall subject the violator to department sanctions, including an administrative penalty of five thousand dollars.

- (5) No individual shall serve as the primary caregiver for more than six qualifying patients. No primary caregiver cultivating marijuana for more than one qualifying patient may exceed a total of twenty-four flowering plants.
- (6) A person who smokes medical marijuana in a public place, other than in an area licensed for such activity by the department or by local authorities having jurisdiction over the licensing or permitting of said activity, is subject to a civil penalty not exceeding one hundred dollars.
- (7) No person shall extract resins from marijuana using dangerous materials or combustible gases without a medical marijuana-infused products manufacturing facility license. Violation of this prohibition shall subject the violator to department sanctions, including an administrative penalty of one thousand dollars for a patient or primary caregiver and ten thousand dollars for a facility licensee and, if applicable, loss of their identification card, certificate, or license for up to one year.
- (8) All qualifying patient cultivation shall take place in an enclosed, locked facility that is equipped with security devices that permit access only by the qualifying patient or by such patient's primary caregiver. Two qualifying patients, who both hold valid qualifying patient cultivation identification cards, may share one enclosed, locked facility. Primary caregivers cultivating marijuana for more than one qualifying patient may cultivate each respective qualifying patient's flowering plants in a single, enclosed locked facility subject to the limits of subsection 3, paragraph 12.
- (9) No medical marijuana cultivation facility, medical marijuana dispensary facility, medical marijuana-infused products manufacturing facility, marijuana testing facility, or entity with a transportation certification shall assign, sell, give, lease, sublicense, or otherwise transfer its license or certificate to any other entity without the express consent of the department, not to be unreasonably withheld.
- (10) (a) Unless allowed by the local government, no new medical marijuana cultivation facility, marijuana testing facility, medical marijuana dispensary facility, or medical marijuana-infused products manufacturing facility shall be initially sited within one thousand feet of any then-existing elementary or secondary school, child day-care center, or church. In the case of a freestanding facility, the distance between the facility and the school, daycare, or church shall be measured from the external wall of the facility structure closest in proximity to the school, daycare, or church to the closest point of the property line of the school, daycare, or church. If the school, daycare, or church is part of a larger structure, such as an office building or strip mall, the distance shall be measured to the entrance or exit of the school, daycare, or church closest in proximity to the facility. In the case of a facility that is part of a larger structure, such as an office building or strip mall, the distance between the facility and the school, daycare, or church shall be measured from the property line of the school, daycare, or church to the facility's entrance or exit closest in proximity to the school, daycare, or church. If the school, daycare, or church is part of a larger structure, such as an office building or strip mall, the distance shall be measured to the entrance or exit of the school, daycare, or church closest in proximity to the facility. Measurements shall be made along the shortest path between the demarcation points that can be lawfully traveled by foot. No local government shall prohibit medical marijuana cultivation facilities, marijuana testing facilities, medical marijuana-infused products manufacturing facilities, or medical marijuana dispensary facilities, or entities with a transportation certification either expressly or through the enactment of ordinances or regulations that make their operation unduly burdensome in the jurisdiction. However, local governments may enact ordinances or regulations not in conflict with this section, or with regulations enacted pursuant to this section, governing the time, place, and manner of operation of such facilities in the locality. A local government may establish civil penalties for violation of an ordinance or regulations governing the time, place, and manner of operation of a medical marijuana cultivation facility, marijuana testing facility, medical marijuana-infused products manufacturing facility, medical marijuana dispensary facility, or entity holding a transportation certification that may operate in such locality.
- (b) The only local government ordinances or regulations that are binding on a medical facility are those of the local government where the medical facility is physically located.
- (11) Unless superseded by federal law or an amendment to this Constitution, a physician or nurse practitioner shall not certify a qualifying condition for a patient by any means other than providing a physician or nurse practitioner certification for the patient, whether handwritten, electronic, or in another commonly used format.
- (12) A physician or nurse practitioner shall not issue a certification for the medical use of marijuana for a nonemancipated qualifying patient under the age of eighteen without the written consent of the qualifying patient's parent or legal guardian. The department shall not issue a qualifying patient identification card on behalf of a nonemancipated qualifying patient under the age of eighteen without the written consent of the qualifying patient's parent or legal guardian. Such card shall be issued to one of the parents or guardians and not directly to the patient. Only a parent or guardian may serve as a primary caregiver for a nonemancipated qualifying patient under the age of eighteen. Only the qualifying patient's parent or guardian shall purchase or possess medical marijuana for a nonemancipated qualifying patient under the age of eighteen. A parent or guardian shall supervise the administration of medical marijuana to a nonemancipated qualifying patient under the age of eighteen.
- (13) Nothing in this section shall be construed as mandating health insurance coverage of medical marijuana for qualifying patient use.
- (14) Real and personal property used in the cultivation, manufacture, transport, testing, distribution, sale, and administration of marijuana for medical use or for activities otherwise in compliance with this section shall not be subject to asset forfeiture solely because of that use.
- (15) Unless a failure to do so would cause an employer to lose a monetary or licensing-related benefit under federal law, an employer may not discriminate against a person in hiring, termination or any term or condition of employment or otherwise penalize a person, if the discrimination is based upon either of the following:
- (a) The person's status as a qualifying patient or primary caregiver who has a valid identification card, including the person's legal use of a lawful marijuana product off the employer's premises during nonworking hours, unless the person was under the influence of medical marijuana on the premises of the place of employment or during the hours of employment; or
- (b) A positive drug test for marijuana components or metabolites of a person who has a valid qualifying patient identification card, unless the person used, possessed, or was under the influence of medical marijuana on the premises of the place of employment or during the hours of employment.
- Nothing in this subdivision shall apply to an employee in a position in which legal use of a lawful marijuana product affects in any manner a person's ability to perform job-related employment responsibilities or the safety of others, or conflicts with a bona fide occupational qualification that is reasonably related to the person's employment.
- (16) The enactment of section 2 of this Article and concurrent amendments to section 1 of this Article shall have no effect upon any valid contract, claim, or cause of action instituted prior to the effective date of this section.]

Cannabis farmers, manufacturers, processors, and distributors shall not be subject to any special zoning requirements and/or licensing fee that is excessive, discriminatory, prohibitive, or in any way contrary to that which is relative to any other commercial or agricultural farmer, manufacturer, processor or distributor or the products they produce.

18. Federal Legalization.] 7. Law Enforcement and the Courts.

If federal law, rules, or regulations are amended to allow the interstate commerce of marijuana or marijuana-infused products or the importation or exportation of marijuana or marijuana-infused products into or out of the state of Missouri, the provisions and intent of this section shall, to the extent possible, remain in full effect, unless explicitly preempted by such federal law, rule, or regulation. If federal law, rules, or regulations are amended as provided above, any marijuana or marijuana-infused products imported into this state shall be subject to the same testing standards and seed to sale tracking system required under this section for marijuana and marijuana-infused products produced within the state. Unless federal law, rules, or regulations explicitly require otherwise, no entity shall sell, transport, produce, distribute, deliver, or cultivate marijuana or marijuana-infused products without an applicable license or certificate as required under this section. In addition, any raw biomass of marijuana or marijuana flower imported from out-of-state shall be received only by a licensed cultivation facility, while all batch oil, infused marijuana products and any marijuana product in any other form shall be received only by a licensed manufacturing facility.]

Missouri's law enforcement and its courts shall protect Cannabis consumers and their property without discrimination, and with the same effort afforded to every citizen of Missouri and our nation.

- (a) The use and/or possession of Cannabis shall not be grounds for issuing a "Driving under the influence" (DUI) stop, charge, arrest, or fine(s) when operating or a passenger of a motor vehicle. Stops, charges, fines and arrests shall be the product of visible and/or previously proven non-Cannabis infractions of Missouri law; actual crime, not assumed, coerced, or profiled.
- (b) No Missouri law enforcement personnel or state funds shall be used to assist or aid in the enforcement of Federal Cannabis laws involving acts which are no longer illegal in the State of Missouri under this amendment.
- (c) Asset and/or Civil Forfeiture shall no longer be used in the state of Missouri in association with Cannabis, Cannabis cultivation, it's use, possession, and/or its sale in any way.
- (d) Upon the passage of this Act, all persons incarcerated or under supervision of the Missouri Board of Probation and Parole for non-violent, Cannabis offenses, which are no longer illegal in the State of Missouri under this Act, shall be immediately released.
- (e) Within 60 days of the passage of Act, a legal document shall be developed and made available to the public ordering the immediate destruction of all Cannabis related non-violent civil and criminal records in Missouri and for any offense covered by this amendment which is no longer illegal in the State of Missouri under this Act. This document shall be distributed to all pertinent parties throughout the state.
- (f) Within 60 days, Missouri's Courts shall order the immediate expungement of civil and criminal records pertaining to all non-violent Cannabis offenses which are no longer illegal in the State of Missouri under this Act. NO record of these offenses will be retained anywhere for any reason.

19. Severability.] 8. Regarding Federal Law.

[The provisions of this section are severable, and if any clause, sentence, paragraph or section of this measure, or an application thereof, is adjudged invalid by any court of competent jurisdiction, the other provisions shall continue to be in effect to the fullest extent possible.] Pursuant to the Ninth and Tenth Amendments to the Constitution of the United States, the people of Missouri hereby repudiate and challenge Federal Cannabis prohibitions that conflict with this Act. As well, we refuse any Federal law, mandate or agreement that seeks to impose any restrictions, taxes, or covenants upon Cannabis that present Cannabis as anything other than a nontoxic and nutritious food, as well as a remarkable medicine, and a most necessary commodity for Missouri and our nation.

9. Existing and conflicting Local, State and Federal Law.

- (a) No excise tax ("sin tax") or any other tax shall be imposed on the consumption, purchase or sale of Cannabis other than the sales tax imposed at the time of sale, the same as any other commodity.
- (b) Cannabis, being a nontoxic and highly medicinal organic product, is protected from rules, whether state, county or municipal, that would seek to imply and/or mandate any restriction and/or penalty upon the consumption, possession, production and/or sale of Cannabis, it's byproducts, and/or its accessories.
- (c) Because Cannabis is nontoxic, Missouri's consumers can no longer be expected to be held to personal and/or religious biases regarding its use, possession or sale.
- (d) All provisions of this section shall supersede conflicting city, county, state and Federal statutory, local charter, ordinance, law or resolution.

IXIV Section 2. Marijuana legalization, regulation, and taxation. — 1. Purpose.] XIV Section 2. A fair, healthy and profitable Cannabis community and industry.

1. Purpose.

[The purpose of this section is to make marijuana legal under state and local law for adults twenty-one years of age or older, and to control the commercial production and distribution of marijuana under a system that licenses, regulates, and taxes the businesses involved while protecting public health. The intent is to prevent arrest and penalty for personal possession and cultivation of limited amounts of marijuana by adults twenty-one years of age or older; remove the commercial production and distribution of marijuana from the illicit market; prevent revenue generated from commerce in marijuana from going to criminal enterprises; prevent the distribution of marijuana to persons under twenty-one years of age; prevent the diversion of marijuana to illicit markets; protect public health by ensuring the safety of marijuana and products containing marijuana; and ensure the security of marijuana facilities. To the fullest extent possible, this section shall be interpreted in accordance with the purpose and intent set forth in this section.

This section is not intended to allow for the public use of marijuana, driving while under the influence of marijuana, the use of marijuana in the workplace, or the use of marijuana by persons under twenty-one years of age.]

The purpose of this section is to further address the path Cannabis will take in Missouri as a truly nontoxic source for medicine and food and other essential commodities. By freeing Missouri from the ignorance and bigotries that have precedingly vilified Cannabis in Missouri law, we seek to provide an environment that minimizes government oversight while promoting education, reinforcing personal responsibility and supporting the essential power of parental influence, recognizing that good behavior and personal beliefs cannot be dictated in state law, but must be taught in our homes and our schools.

12. Definitions.

- (1) "Church" means a permanent building primarily and regularly used as a place of religious worship.
- (2) "Comprehensive facility" means a comprehensive marijuana cultivation facility, comprehensive marijuana dispensary facility, or a comprehensive marijuana-infused products manufacturing facility.
- (3) "Comprehensive marijuana cultivation facility" means a facility licensed by the department to acquire, cultivate, process, package, store on site or off site, transport to or from, and sell marijuana, marijuana seeds, marijuana vegetative cuttings (also known as clones) to a medical facility, comprehensive facility, or marijuana testing facility. A comprehensive marijuana cultivation facility need not segregate or account for its marijuana products as either non-medical marijuana or medical marijuana. A comprehensive marijuana cultivation facility's authority to process marijuana shall include the creation of prerolls, but shall not include the manufacture of marijuana-infused products.
- (4) "Comprehensive marijuana dispensary facility" means a facility licensed by the department to acquire, process, package, store on site or off site, sell, transport to or from, and deliver marijuana, marijuana seeds, marijuana vegetative cuttings (also known as clones), marijuana-infused products, and drug paraphernalia used to administer marijuana as provided for in this section to a qualifying patient or primary caregiver, as those terms are defined in section 1 of this Article, or to a consumer, anywhere on the licensed property or to any address as directed by the patient, primary caregiver, or consumer and consistent with the limitations of this Article and as otherwise allowed by law, to a comprehensive facility, a marijuana testing facility, or a medical facility. Comprehensive dispensary facilities may receive transaction orders at the dispensary directly from the consumer in person, by phone, or via the internet, including from a third party. A comprehensive marijuana dispensary facility need not segregate or account for its marijuana products as either non-medical marijuana or medical marijuana, but shall collect all appropriate tangible personal property sales tax for each sale, as set forth in this Article and provided for by general or local law. A comprehensive marijuana dispensary facility's authority to process marijuana shall include the creation of prerolls.
- (5) "Comprehensive marijuana-infused products manufacturing facility" means a facility licensed by the department to acquire, process, package, store, manufacture, transport to or from a medical facility, comprehensive facility, or marijuana testing facility, and sell marijuana-infused products, prerolls, and infused prerolls to a marijuana dispensary facility, a marijuana testing facility, or another marijuana-infused products manufacturing facility. A comprehensive marijuana-infused products manufacturing facility need not segregate or account for its marijuana products as either non-medical marijuana or medical marijuana.
- (6) "Consumer" means a person who is at least twenty-one years of age.
- (7) "Daycare" means a child-care facility, as defined by section 210.201, RSMo, or successor provisions, that is licensed by the state of Missouri.
- (8) "Department" means the department of health and senior services, or its successor agency.
- (9) "Entity" means a natural person, corporation, professional corporation, nonprofit corporation, cooperative corporation, unincorporated association, business trust, limited liability company, general or limited partnership, limited liability partnership, joint venture, or any other legal entity.
- (10) "Flowering plant" means a marijuana plant from the time it exhibits the first signs of sexual maturity through harvest.
- (11) "Infused preroll" means a consumable or smokable marijuana product, generally consisting of: (1) a wrap or paper, (2) dried flower, buds, and/or plant material, and (3) a concentrate, oil or other type of marijuana extract, either within or on the surface of the product. Infused prerolls may or may not include a filter or crutch at the base of the product.
- (12) "Local government" means, in the case of an incorporated area, a village, town, or city and, in the case of an unincorporated area, a county.
- (13) "Marijuana" or "marihuana" means Cannabis indica, Cannabis sativa, and Cannabis ruderalis, hybrids of such species, and any other strains commonly understood within the scientific community to constitute marijuana, as well as resin extracted from the marijuana plant and marijuana-infused products. "Marijuana" or "marihuana" do not include industrial hemp, as defined by Missouri statute, or commodities or products manufactured from industrial hemp.
- (14) "Marijuana accessories" means any equipment, product, material, or combination of equipment, products, or materials, which is specifically designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, ingesting, inhaling, or otherwise introducing marijuana into the human body.
- (15) "Marijuana facility" means a comprehensive marijuana cultivation facility, comprehensive marijuana dispensary facility, marijuana testing facility, comprehensive marijuana-infused products manufacturing facility, microbusiness wholesale facility, microbusiness dispensary facility, or any other type of marijuana-related facility or business licensed or certified by the department pursuant to this section, but shall not include a medical facility licensed under section 1 of this Article.
- (16) "Marijuana-infused products" means products that are infused, dipped, coated, sprayed, or mixed with marijuana or an extract thereof, including, but not limited to, products that are able to be vaporized or smoked, edible products, ingestible products, topical products, suppositories, and infused prerolls.
- (17) "Marijuana microbusiness facility" means a facility licensed by the department as a microbusiness dispensary facility or microbusiness wholesale facility, as defined in this section.
- (18) "Microbusiness dispensary facility" means a facility licensed by the department to acquire, process, package, store on site or off site, sell, transport to or from, and deliver marijuana, marijuana seeds, marijuana vegetative cuttings (also known as clones), marijuana-infused products, and drug paraphernalia used to administer marijuana as provided for in this section to a consumer, qualifying patient, as that term is defined in section 1 of this Article, or primary caregiver, as that term is defined in section 1 of this Article, anywhere on the licensed property or to any address as directed by the consumer, qualifying patient, or primary caregiver and, consistent with the limitations of this Article and as otherwise allowed by law, a microbusiness wholesale facility, or a marijuana testing facility. Microbusiness dispensary facilities may receive transaction orders at the dispensary directly from the consumer in person, by phone, or via the internet, including from a third party. A microbusiness dispensary facility's authority to process marijuana shall include the creation of prerolls.
- (19) "Microbusiness wholesale facility" means a facility licensed by the department to acquire, cultivate, process, package, store on site or off site, manufacture, transport to or from, deliver, and sell marijuana, marijuana seeds, marijuana vegetative cuttings (also known as clones), and marijuana-infused products to a microbusiness dispensary facility, other microbusiness wholesale facility, or marijuana testing facility. A microbusiness wholesale facility may cultivate up to 250 flowering marijuana plants at any given time. A microbusiness wholesale facility's authority to process marijuana shall include the creation of prerolls and infused prerolls.
- (20) "Marijuana testing facility" means a facility certified by the department to acquire, test, certify, and transport marijuana, including those originally certified as a medical marijuana testing facility.
- (21) "Owner" means an individual who has a financial (other than a security interest, lien, or encumbrance) or voting interest in ten percent or greater of a marijuana facility.
- (22) "Preroll" means a consumable or smokable marijuana product, generally consisting of: (1) a wrap or paper and (2) dried flower, buds, and/or plant material. Prerolls may or may not include a filter or crutch at the base of the product.
- (23) "Unduly burdensome" means that the measures necessary to comply with the rules or ordinances adopted pursuant to this section subject licensees or potential licensees to such a high investment of money, time, or any other resource or asset that a reasonably prudent businessperson would not operate the marijuana facility.

3. Limitations. 12. Regulation of Cannabis.

- I(1) Except as otherwise provided in this Article, this section does not preclude, limit, or affect laws that assign liability relative to, prohibit, or otherwise regulate:
- (a) Delivery or distribution of marijuana or marijuana accessories, with or without consideration, to a person younger than twenty-one years of age;
 - (b) Purchase, possession, use, or transport of marijuana or marijuana accessories by a person younger than twenty-one years of age;
 - (c) Consumption of marijuana by a person younger than twenty-one years of age;
 - (d) Operating or being in physical control of any motor vehicle, train, aircraft, motorboat, or other motorized form of transport while under the influence of marijuana. Notwithstanding the foregoing, a conviction of a person who is at least twenty-one years of age for any applicable offenses shall require evidence that the person was in fact under the influence of marijuana at the time the person was in physical control of the motorized form of transport and not solely on the presence of tetrahydrocannabinol (THC) or THC metabolites, or a combination thereof, in the person's system;
 - (e) Consumption of marijuana while operating or being in physical control of a motor vehicle, train, aircraft, motorboat, or other motorized form of transport while it is being operated;

- (f) Smoking marijuana within a motor vehicle, train, aircraft, motorboat, or other motorized form of transport while it is being operated;
- (g) Possession or consumption of marijuana or possession of marijuana accessories on the grounds of a public or private preschool, elementary or secondary school, institution of higher education, in a school bus, or on the grounds of any correctional facility;
- (h) Smoking marijuana in a location where smoking tobacco is prohibited;
- (i) Consumption of marijuana in a public place, other than in an area licensed by the authorities having jurisdiction over the licensing and/or permitting of said activity, as set forth in subsection 5 of this section;
- (j) Conduct that endangers others;
- (k) Undertaking any task while under the influence of marijuana, if doing so would constitute negligence, recklessness, or professional malpractice; or
- (l) Performing solvent-based extractions on marijuana using solvents other than water, glycerin, propylene glycol, vegetable oil, or food-grade ethanol, unless licensed for this activity by the department.

(2) This section does not limit any privileges, rights, immunities, or defenses of a person or entity as provided in section 1 of this Article, or any other law of this state allowing for or regulating marijuana for medical use.

(3) This section does not require an employer to permit or accommodate conduct otherwise allowed by this section in any workplace or on the employer's property. This section does not prohibit an employer from disciplining an employee for working while under the influence of marijuana. This section does not prevent an employer from refusing to hire, discharging, disciplining, or otherwise taking an adverse employment action against a person with respect to hire, tenure, terms, conditions, or privileges of employment because that person was working while under the influence of marijuana.

(4) This section allows an entity to prohibit or otherwise limit the consumption, cultivation, distribution, processing, sale, or display of marijuana, marijuana-infused products, and marijuana accessories on private property the entity owns, leases, occupies, or manages, except that a lease agreement executed after the effective date of this section may not prohibit a tenant from lawfully possessing and consuming marijuana by means other than smoking.

(5) The enactment of this section and all concurrent amendments to section 1 of this Article shall have no effect upon any valid contract, claim, or cause of action instituted prior to the effective date of this section.]

- (a.) No part of these Sections authorizes or permits any person to operate a vehicle, motorized or otherwise in any unsafe manner, whether or not Cannabis is involved.
- (b.) No part of these Sections authorizes or permits any person to adversely affect properties, whether public or private while consuming and/or possessing Cannabis.
- (c.) No part of these Sections authorizes or permits any person to operate commercial or industrial equipment in a dangerous manner, while employed or otherwise, whether or not Cannabis is involved.
- (d.) Any activity that would be considered a violation of civil law apart from Cannabis will be considered a violation when Cannabis is incorporated.

14. Regulation of Marijuana.

- (1) In carrying out the implementation of this section and as conditioned herein, the department shall have the authority to:
 - (a) Grant or refuse state licenses for the cultivation, manufacture, dispensing, and sale of marijuana; suspend, restrict, or revoke such licenses upon a violation of this section or a rule promulgated pursuant to this section; and impose any reasonable administrative penalty authorized by this section or any general law enacted or rule promulgated pursuant to this section, so long as any procedure related to a suspension or revocation includes a reasonable cure period, not less than thirty days, prior to the suspension or revocation, except in instances where there is a credible and imminent threat to public health or public safety;
 - (b) Promulgate rules and emergency rules necessary for the proper regulation and control of the cultivation, manufacture, dispensing, and sale of marijuana and for the enforcement of this section so long as such rules are reasonable and not unduly burdensome;
 - (c) Develop such forms, certificates, licenses, identification cards, and applications as are necessary for, or reasonably related to, the administration of this section or any of the rules promulgated under this section;
 - (d) Require a seed-to-sale tracking system that tracks marijuana from either the seed or immature plant stage until the marijuana or marijuana-infused product is sold to a qualified patient, primary caregiver, or consumer to ensure that no marijuana grown by a medical marijuana cultivation facility, comprehensive marijuana cultivation facility, or microbusiness wholesale facility, or manufactured by a medical marijuana-infused products manufacturing facility, a comprehensive marijuana-infused products manufacturing facility, or a microbusiness wholesale facility is sold or otherwise transferred to a consumer, qualified patient, or primary caregiver except by a medical marijuana dispensary facility, a comprehensive dispensary facility, or a microbusiness dispensary facility. The department shall certify all commercially available tracking systems that are compliant with its tracking standards and issue standards for the creation or use of other systems by licensees;
 - (e) Issue standards for the secure transportation of marijuana and marijuana-infused products. The department shall certify entities that demonstrate compliance with its transportation standards to transport marijuana and marijuana-infused products to or from a comprehensive facility, medical facility, microbusiness facility, another entity with a transportation certification, or any entity licensed pursuant to paragraph (g) of this subdivision. The department shall develop or adopt from any other governmental agency such safety and security standards as are reasonably necessary for the transportation and temporary storage of marijuana and marijuana-infused products. Any entity licensed or certified pursuant to this section shall be allowed to transport its own inventory and products in compliance with department transportation rules and store marijuana and marijuana-infused products for the purposes related to transportation in compliance with department regulations on secure storage of marijuana and marijuana-infused products;
 - (f) Promulgate rules and emergency rules specific to the licensing, regulation, and oversight of marijuana microbusiness facilities;
 - (g) Provide for the issuance of additional types or classes of licenses to operate marijuana-related businesses that:
 - a. Allow for only transportation, delivery, or storage of marijuana; or
 - b. Are intended to facilitate scientific research or education.
 - (h) Prepare and transmit annually a publicly available report accounting to the governor, the general assembly, and the public for the efficient discharge of all responsibilities assigned to the department under this section. The report shall provide aggregate data for each type of license (medical, comprehensive, and microbusiness) and facility (dispensary, cultivation, manufacturers, wholesalers). Only non-identifying information shall be provided regarding any marijuana facility owners;
 - (i) Establish a lottery selection process to select comprehensive facility licenses, certificate holders, marijuana microbusiness licensees, but not medical facility licensees that are converting to comprehensive licenses pursuant to this subsection. To become eligible for any license lottery selection process, an owner cannot have pleaded guilty or been found guilty of a disqualifying felony, as that term is defined in subsection 9 of this section.
 - (j) In developing a lottery selection process to award licenses and certificates, the department may consult or contract with other public agencies with relevant expertise.
 - (k) While not required as a prerequisite to participation in a comprehensive license lottery, every comprehensive license applicant shall submit to the department a voluntary plan to promote and encourage participation in the regulated marijuana industry by people from communities that have been disproportionately impacted by marijuana prohibition. The plan may include strategies to address geographical defined communities that have been disproportionately impacted by marijuana prohibition; provide for ownership opportunities for disproportionately impacted communities; and provide for employment, supplier, and vendor opportunities for individuals and businesses in communities that have been disproportionately impacted by marijuana prohibition. If licensed, any voluntary applicant plan shall be enforceable by the department.
 - (l) Notwithstanding other grants of authority herein, neither the department nor any governmental body may restrict the production or use of marijuana and marijuana-infused products based solely upon THC content.
 - (m) Set a limit on the amount of marijuana that may be purchased in a single transaction provided that limit is not less than three ounces of dried, unprocessed marijuana, or its equivalent.
 - (n) Regulate the advertising and promotion of marijuana sales, but any such regulation shall be no more stringent than comparable state regulations on the advertising and promotion of alcohol sales.

(2) The department shall issue, at a minimum, the same number of comprehensive marijuana cultivation facility licenses as were authorized or issued for medical marijuana cultivation facilities under section 1 of this Article as of December 7, 2022, the same number of comprehensive marijuana-infused products manufacturing facility licenses as were authorized or issued for medical marijuana-infused products manufacturing facilities under section 1 of this Article as of December 7, 2022, the same number of comprehensive marijuana dispensary facility licenses with the same congressional distribution requirements as were authorized or issued for medical marijuana dispensary facilities under section 1 of this Article as of December 7, 2022, in addition to the minimum number of marijuana microbusiness licenses as are required under this section. The department may lift or ease any limit on the number of licensees or certificate holders in order to meet the demand for marijuana in the state and to ensure a competitive market while also preventing an over-concentration of marijuana facilities within the boundaries of any particular local government.

(3) If comprehensive facility licenses become available because the number of total issued licenses in any respective category falls below the minimum required under this section or the department determines more comprehensive facility licenses are necessary to meet the requirements of subdivision (2) of this subsection, the department shall award by lottery at least fifty percent of any new licenses available to satisfy the minimum requirement to applicants who are owners of a marijuana microbusiness facility that has been in operation for at least one year and is in good standing with the department and is otherwise qualified for the license.

(4) The department may issue any rules or emergency rules necessary for the implementation and enforcement of this section and to ensure the right to, availability, and safe use of marijuana by consumers. In developing such rules or emergency rules, the department may consult or contract with other public agencies. In addition to any other rules or emergency rules necessary to carry out the mandates of this section, the department shall issue rules or emergency rules relating to the following subjects:

- (a) Procedures for issuing a license and for renewing, suspending, and revoking a license, so long as any procedure related to a suspension or revocation includes a reasonable cure period, not less than thirty days, prior to the suspension or revocation, except in instances where there is a credible and imminent threat to public health or public safety;
- (b) Requirements and standards for safe cultivation, processing, and distribution of marijuana and marijuana-infused products by marijuana facilities, including health standards to ensure the safe preparation of marijuana-infused products;
- (c) Testing, packaging, and labeling standards, procedures, and requirements for marijuana and marijuana-infused products and a requirement that a representative sample of marijuana be tested by a marijuana testing facility to ensure public health;
- (d) Labeling standards that protect public health by requiring the listing of pharmacologically active ingredients, including, but not limited to, tetrahydrocannabinol (THC), cannabidiol (CBD), and other cannabinoid content, the THC and other cannabinoid amount in milligrams per serving, the number of servings per package, and quantity limits per sale to comply with the allowable possession amount;
- (e) Requirements that packaging and labels shall not be made to be attractive to children, required warning labels, and that marijuana and marijuana-infused products be sold in resealable, child-resistant packaging to protect public health;
- (f) Security requirements, including lighting, physical security, and alarm requirements, and requirements for securely transporting marijuana between marijuana facilities;
- (g) Record keeping requirements for marijuana facilities and monitoring requirements to track the transfer of marijuana by licensees;
- (h) A plan to promote and encourage ownership and employment in the marijuana industry by people from political subdivisions and districts that are economically distressed and to positively impact those political subdivisions and districts;
- (i) Administrative penalties as authorized by this section for failure to comply with any rule promulgated pursuant to this section or for any violation of rules and regulations adopted pursuant to this section by a licensee, including authorized administrative fines and suspension, revocation, or restriction of a license. The licensee may choose to challenge any penalties imposed by the department through the administrative hearing commission, or its successor entity. Pursuant to section 536.100, RSMo, or its successor provisions, any licensee who has exhausted all administrative remedies provided by law and who is aggrieved by a final decision in a contested case is entitled to judicial review;
- (j) Reporting and transmittal of tax payments required under this section;
- (k) Authorization for the department of revenue to have access to licensing information to ensure tax payment and the effective administration of this section; and
- (l) Such other matters as are necessary for the fair, impartial, stringent, and comprehensive administration of this section.
- (5) The department shall issue rules or emergency rules for a marijuana and marijuana-infused products independent testing and certification program for marijuana facility licensees and requiring licensees to test marijuana using one or more impartial, independent laboratory or laboratories to ensure, at a minimum, correct labeling, potency measurement, and that products sold for human consumption do not contain contaminants that are potentially injurious to public health.
- (6) The department shall issue rules or emergency rules to provide for the certification of and standards for marijuana testing facilities, including the requirements for equipment and qualifications for personnel, but shall not require certificate holders to have any federal agency licensing or have any relationship with a federally licensed testing facility. No marijuana testing facility shall be owned by an entity or entities under substantially common control, ownership, or management as a marijuana cultivation facility, marijuana-infused products manufacturing facility, marijuana microbusiness facility, or marijuana dispensary facility.
- (7) All public records produced or retained pursuant to this section are subject to the general provisions of the Missouri Sunshine Law, chapter 610, RSMo, or its successor provisions. Notwithstanding the foregoing, public records containing proprietary business information obtained from an applicant or licensee shall be closed. The applicant or licensee shall label business information it believes to be proprietary prior to submitting it to the department. Proprietary business information shall include sales information, financial records, tax returns, credit reports, license applications, cultivation information unrelated to product safety, testing results unrelated to product safety, site security information and plans, and individualized consumer information. The presence of proprietary business information shall not justify the closure of public records:
- Identifying the applicant or licensee;
 - Relating to any citation, notice of violation, tax delinquency, or other enforcement action;
 - Relating to any public official's support or opposition relative to any applicant, licensee, or their proposed or actual operations;
 - Where disclosure is reasonably necessary for the protection of public health or safety; or
 - That are otherwise subject to public inspection under applicable law.
- (8) Within one hundred and eighty days of the effective date of this section, the department shall make available to the public license application forms and application instructions for marijuana microbusiness facilities. Within two hundred and seventy days of the effective date of this section, the department shall start accepting such applications from applicants.
- (9) An entity may apply to the department for and obtain one or more licenses to grow marijuana as a comprehensive marijuana cultivation facility. Each facility in operation shall require a separate license, but multiple licenses may be utilized in a single facility. Each indoor facility utilizing artificial lighting may be limited by the department to thirty thousand square feet of flowering plant canopy space. Each outdoor facility utilizing natural lighting may be limited by the department to two thousand eight hundred flowering plants. Each greenhouse facility using a combination of natural and artificial lighting may be limited by the department, at the election of the licensee, to two thousand eight hundred flowering plants or thirty thousand square feet of flowering plant canopy. The license shall be valid for three years from its date of issuance and shall be renewable, except for good cause. The department shall charge each applicant a non-refundable fee of twelve thousand dollars per license application or renewal for all applicants filing an application within three years of the effective date of this section and shall charge each applicant a non-refundable fee of five thousand dollars per license application or renewal thereafter. Once granted, the department shall charge each licensee an annual fee of twenty-five thousand dollars per facility license. Application and license fees shall be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency. An entity may not be an owner of more than ten percent of the total marijuana cultivation facility licenses outstanding under both sections 1 and 2 of this Article at any given time, rounded down to the nearest whole number.
- (10) An entity may apply to the department for and obtain one or more licenses to operate a comprehensive marijuana dispensary facility. Each facility in operation shall require a separate license. A license shall be valid for three years from its date of issuance and shall be renewable, except for good cause. The department shall charge each applicant a non-refundable fee of seven thousand dollars per license application or renewal for each applicant filing an application within three years of the effective date of this section and shall charge each applicant a non-refundable fee of three thousand dollars per license application or renewal thereafter. Once granted, the department shall charge each licensee an annual fee of ten thousand dollars per facility license. Application and license fees shall be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency. An entity may not be an owner of more than ten percent of the total marijuana dispensary facility licenses outstanding under both sections 1 and 2 of this Article at any given time, rounded down to the nearest whole number.
- (11) An entity may apply to the department for and obtain one or more licenses to operate a comprehensive marijuana-infused products manufacturing facility. Each facility in operation shall require a separate license. A license shall be valid for three years from its date of issuance and shall be renewable, except for good cause. The department shall charge each applicant a non-refundable fee of seven thousand dollars per license application or renewal for each applicant filing an application within three years of the effective date of this section and shall charge each applicant a non-refundable fee of three thousand dollars per license application or renewal thereafter. Once granted, the department shall charge each licensee an annual fee of ten thousand dollars per facility license. Application and license fees shall be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency. An entity may not be an owner of more than ten percent of the total marijuana-infused products manufacturing facility licenses outstanding under both sections 1 and 2 of this Article at any given time, rounded down to the nearest whole number.
- (12) An entity may apply to the department for and obtain only one license to operate a marijuana microbusiness facility, which may be either a microbusiness dispensary facility or a microbusiness wholesale facility. A marijuana microbusiness facility licensee may engage in all of the activities allowed under the license or it may apply for and engage in a subset of the activities allowed if the applicant or licensee holder so chooses. A microbusiness wholesale facility may cultivate, process, manufacture, transport, and sell marijuana and marijuana-infused products to any other marijuana microbusiness facility. A microbusiness dispensary facility licensee may acquire from any other microbusiness facility, process, package, deliver, and sell marijuana and marijuana-infused products to any other marijuana microbusiness facility, or directly to qualified patients, their primary caregiver, or consumers. A marijuana microbusiness license shall be valid for three years from its date of issuance and shall be renewable, except for good cause. The department shall charge each applicant a fee of one thousand five hundred dollars per license application and for each subsequent license renewal application thereafter. Any applicant that meets the criteria to apply for a marijuana microbusiness facility license but is not chosen by the lottery system may have their application fee refunded. Once granted, the department shall charge each licensee an annual fee of one thousand five hundred dollars per facility license, but there shall be no annual fee assessed for the first year of licensure. Application and license fees shall be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency. An entity may not be an owner of more than one marijuana microbusiness facility license. An owner of a marijuana microbusiness facility may apply for a license or licenses for other marijuana or medical marijuana facilities under this Article. If granted one or more of these licenses, the marijuana microbusiness facility owner shall transition to other licensed operations on a reasonably practical timetable established by the department, and surrender its marijuana microbusiness facility license to the department for issuance to an applicant for a marijuana microbusiness facility. In addition to other requirements established by this section, an applicant for a marijuana microbusiness license shall be majority owned by individuals who each meet at least one of the following qualifications:
- Have a net worth of less than \$250,000 and have had an income below two hundred and fifty percent of the federal poverty level, or successor level, as set forth in the applicable calendar year's federal poverty income guidelines published by the U.S. Department of Health and Human Services or its successor agency, for at least three of the ten calendar years prior to applying for a marijuana microbusiness facility license; or
 - Have a valid service-connected disability card issued by the United States Department of Veterans Affairs, or successor agency; or
 - Be a person who has been, or a person whose parent, guardian or spouse has been arrested for, prosecuted for, or convicted of a non-violent marijuana offense, except for a conviction involving provision of marijuana to a minor, or a conviction of driving under the influence of marijuana. The arrest, charge, or conviction must have occurred at least one year prior to the effective date of this section; or
 - Reside in a ZIP code or census tract area where:
 - Thirty percent or more of the population lives below the federal poverty level; or
 - The rate of unemployment is fifty percent higher than the state average rate of unemployment; or

- c. The historic rate of incarceration for marijuana-related offenses is fifty percent higher than the rate for the entire state; or
 - (e) Graduated from a school district that was unaccredited, or had a similar successor designation, at the time of graduation, or has lived in a zip code containing an unaccredited school district, or similar successor designation, for three of the past five years.
- (13) The department may restrict the aggregate number of licenses granted for marijuana microbusiness facilities, provided, however, that the number may not be limited to fewer than the following number of licenses in each United States congressional district in the state of Missouri pursuant to the map of each of the eight congressional districts as drawn and effective on December 6, 2018:
- (a) Six, once the department begins issuing licenses for marijuana microbusiness facilities under this subsection, at least two of which shall be a microbusiness dispensary facility, and at least four of which will be a microbusiness wholesale facility. The department shall issue the first group of microbusiness licenses no later than three hundred days after the effective date of this section;
 - (b) An additional six following the first two hundred and seventy days after the department begins issuing licenses for marijuana microbusiness facilities under this subsection, at least two of which shall be a microbusiness dispensary facility, and at least four of which will be a microbusiness wholesale facility, but only after the chief equity officer, or his or her designee, conducts a review and certifies that previous microbusiness licenses were awarded to and are being operated by eligible applicants in good standing; and
 - (c) An additional six after the first five hundred and forty-eight days after the department begins issuing licenses for marijuana microbusiness facilities under this subsection, at least two of which shall be a microbusiness dispensary facility, and at least four of which will be a microbusiness wholesale facility, but only after the chief equity officer, or his or her designee, conducts a review and certifies that previous microbusiness licenses were awarded to and are being operated in good standing by eligible applicants.
- Future changes to the boundaries or the number of congressional districts shall have no impact on microbusiness license numbers or distribution. The eligibility review set forth in this subdivision shall be conducted by the chief equity officer within sixty days of issuance of the licenses. The chief equity officer shall publish in a manner available to the public the results of the review that contains only aggregate information on licensee eligibility criteria.
- (14) Within 60 days after the effective date of this section, the department shall appoint a chief equity officer. The chief equity officer shall assist with the development and implementation of programs to inform the public of the opportunities available to those people who meet the criteria set forth in paragraph (12) of this subsection. The chief equity officer shall establish public education programming and targeted technical assistance programming dedicated to providing communities that have been impacted by marijuana prohibition with information detailing the licensing process and informing individuals of the support and resources that the office can provide to individuals and entities interested in participating in activity licensed under this Article. The chief equity officer shall provide a report to the department, no later than January 1, 2024, and annually thereafter, of their and the department's activities in ensuring compliance with the applicant criteria set forth in paragraph (12) of this subsection, and the department shall provide such report to the legislature. The chief equity officer may only be removed for cause and the department shall not interfere with the officer's lawful official activities under this section.
- (15) Any medical marijuana cultivation facility, medical marijuana dispensary facility, and medical marijuana-infused products manufacturing facility, holding an active facility license under section 1 of this Article shall have the right to convert their license to a comprehensive marijuana license, and any entity certified by the department to conduct medical marijuana testing, transportation or seed-to-sale tracking, as of the effective date of this section shall be deemed certified to conduct those activities with respect to all marijuana;
- (16) Upon the effective date of this section, any existing medical facility licensee may request its medical facility license convert to that of a comprehensive facility license. Conversion requests not processed within sixty days of department receipt shall be deemed approved.
- (17) With the exception of microbusiness licenses, and consistent with any limitations set forth in this section, for the first five hundred and forty-eight days after the department begins issuing licenses for marijuana facilities under this section, the department may only issue a license:
- (a) For a comprehensive marijuana cultivation facility to an entity holding a medical marijuana cultivation facility license issued pursuant to section 1 of this Article seeking to convert its licensure to that of a comprehensive marijuana cultivation facility at the same location;
 - (b) For a comprehensive marijuana dispensary facility to an entity holding a medical marijuana dispensary facility license issued pursuant to section 1 of this Article seeking to convert its licensure to that of a comprehensive marijuana dispensary facility at the same location; and
 - (c) For a comprehensive marijuana-infused products manufacturing facility to an entity holding a medical marijuana-infused products manufacturing facility license issued pursuant to section 1 of this Article seeking to convert its licensure to that of a comprehensive marijuana-infused products manufacturing facility at the same location.
- (18) The department shall issue a license to each request for a conversion to a comprehensive marijuana facility license pursuant to subdivision (15) of this subsection if the applicant is in good standing with the department.
- (19) Notwithstanding the provisions of section 1 of this Article, if an existing medical marijuana dispensary facility is located in a jurisdiction that prohibits non-medical retail marijuana facilities under this section, or is otherwise prevented from operating a comprehensive marijuana dispensary facility at the same location as the existing medical marijuana dispensary facility, the medical marijuana dispensary facility may apply to the department for a comprehensive marijuana dispensary license pursuant to subdivision (15) of this subsection in a new location within the same congressional district, and such application shall be granted so long as the new location meets all the requirements of this section and department regulations.
- (20) In addition to the foregoing, if the department has reason to believe that the conversion of a medical facility into a comprehensive facility might limit or restrict access to an adequate supply of marijuana and marijuana-infused products at a reasonable cost to qualifying patients, as defined in section 1 of this Article, the department may request a plan from the medical facility licensee which explains how the applicant would serve both the medical and adult-use markets, while maintaining adequate supply at a reasonable cost to qualifying patients.
- (21) Comprehensive marijuana facilities licensed to distribute marijuana, marijuana-infused products, and marijuana accessories directly to consumers pursuant to this section may also distribute marijuana, marijuana-infused products, and marijuana accessories to qualifying patients and primary caregivers consistent with section 1 of this Article and department regulation.
- (22) The department may charge a fee not to exceed two thousand five hundred dollars for any certification issued pursuant to this section. This fee limitation shall be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency.
- (23) Within thirty days of December 8, 2022, the department shall make available to the public application forms and application instructions for personal cultivation registration cards. Within sixty days of December 8, 2022, the department shall begin accepting applications for such registration cards.
- (24) Except for good cause, a person at least twenty-one years of age may obtain a registration card from the department to cultivate up to six flowering marijuana plants, six nonflowering marijuana plants (over fourteen inches tall), and six clones (plants under fourteen inches tall) for non-commercial use, provided:
- (a) The plants and any marijuana produced by the plants in excess of three ounces are kept at one private residence, are in a locked space, and are not visible by normal, unaided vision from a public place; and
 - (b) Not more than twelve flowering marijuana plants are kept in or on the grounds of a private residence at one time.
- The card shall be valid for twelve months from its date of issuance and shall be renewable. The department shall charge an annual fee for the card of one hundred dollars, with such rate to be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency.
- (25) All marijuana sold in Missouri pursuant to this section shall be cultivated in Missouri.
- (26) All marijuana-infused products sold in Missouri pursuant to this section shall be manufactured in Missouri.
- (27) The denial of a license or license renewal by the department shall be appealable. The applicant may choose to challenge any denial by the department through the administrative hearing commission, or successor entity. Pursuant to section 536.100, RSMo, or its successor provisions, any licensee who has exhausted all administrative remedies provided by law and who is aggrieved by a final decision in a contested case is entitled to judicial review.
- (28) No elected official shall interfere directly or indirectly with the department's obligations and activities under this section.
- (29) To minimize the potential for undue political influence in awarding licenses, the department shall review license applications using reasonable safeguards that ensure the identity of the applicant and its principal owners, officers, and managers are not identified to the application reviewer.
- (30) To ensure the consistent protection of public health and public safety, the department shall have the sole authority within the state of Missouri to issue licenses for marijuana facilities and certifications pursuant to this section.
- (31) The department shall not have the authority to promulgate, apply, or enforce any rule or regulation that is unduly burdensome or act to undermine the purposes of this section.

5. Local Control.

- (1) (a) Except as provided in this subsection, a local government may prohibit the operation of all microbusiness dispensary facilities or comprehensive marijuana dispensary facilities regulated under this section from being located within its jurisdiction either through referral of a ballot question to the voters by the governing body or through citizen petition, provided that citizen petitions are otherwise generally authorized by the laws of the local government. Such a ballot question shall be voted on only during the regularly scheduled general election held on the first Tuesday after the first Monday in November of a presidential election year, starting in 2024, thereby minimizing additional local governmental cost or expense. A citizen petition to put before the voters a ballot question prohibiting microbusiness dispensary facilities or comprehensive marijuana dispensary facilities shall be signed by at least five percent of the qualified voters in the area proposed to be subject to the

prohibition, determined on the basis of the number of votes cast for governor in such locale at the last gubernatorial election held prior to the filing of the petition. The local government shall count the petition signatures and give legal notice of the election as provided by applicable law. Denial of ballot access shall be subject to judicial review.

(b) Whether submitted by the governing body or by citizen's petition, the question shall be submitted in the following form: "Shall (insert name of local government) ban all non-medical microbusiness dispensary facilities and comprehensive marijuana dispensary facilities from being located within (insert name of local government and, where applicable, its "unincorporated areas") and forgo any additional related local tax revenue? () Yes () No." If at least sixty percent of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the ban shall go into effect as provided by law. If a question receives less than the required sixty percent, then the jurisdiction shall have no power to ban non-medical microbusiness dispensary facilities or comprehensive marijuana facilities regulated under this section, unless voters at a subsequent general election on the first Tuesday after the first Monday in November of a presidential election year approve a ban on non-medical retail marijuana facilities submitted to them by the governing body or by citizen petition.

(2) (a) A local government may repeal an existing ban by its own ordinance or by a vote of the people, either through referral of a ballot question to the voters by the governing body or through citizen petition, provided that citizen petitions are otherwise generally authorized by the laws of the local government. In the case of a referral of a ballot question by the governing body or citizen petition to repeal an existing ban, the question shall be voted on only during the regularly scheduled general election held on the first Tuesday after the first Monday in November of a presidential election year. A citizen petition to put before the voters a ballot question repealing an existing ban shall be signed by at least five percent of the qualified voters in the area subject to the ban, determined on the basis of the number of votes cast for governor in such locale at the last gubernatorial election held prior to the filing of the petition. The local government shall count the petition signatures and give legal notice of the election as provided by applicable law. Denial of ballot access shall be subject to judicial review.

(b) Whether submitted by the governing body or by citizen's petition, the question shall be submitted in the following form: "Shall (insert name of local government) allow non-medical microbusiness dispensary facilities and comprehensive marijuana dispensary facilities to be located within (insert name of local government and where applicable, its "unincorporated areas") as regulated by state law? () Yes () No." If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the ban shall be repealed.

(3) The only local government ordinances and regulations that are binding on a marijuana facility are those of the local government where the marijuana facility is located.

(4) Unless allowed by the local government, no new marijuana facility shall be initially sited within one thousand feet of any then-existing elementary or secondary school, child day-care center, or church. In the case of a freestanding facility, the distance between the facility and the school, daycare, or church shall be measured from the external wall of the facility structure closest in proximity to the school, daycare, or church to the closest point of the property line of the school, daycare, or church. If the school, daycare, or church is part of a larger structure, such as an office building or strip mall, the distance shall be measured to the entrance or exit of the school, daycare, or church closest in proximity to the facility. In the case of a facility that is part of a larger structure, such as an office building or strip mall, the distance between the facility and the school, daycare, or church shall be measured from the property line of the school, daycare, or church to the facility's entrance or exit closest in proximity to the school, daycare, or church. If the school, daycare, or church is part of a larger structure, such as an office building or strip mall, the distance shall be measured to the entrance or exit of the school, daycare, or church closest in proximity to the facility. Measurements shall be made along the shortest path between the demarcation points that can be lawfully traveled by foot.

(5) Except as otherwise provided in this subsection, no local government shall prohibit marijuana facilities or entities with a transportation certification either expressly or through the enactment of ordinances or regulations that make their operation unduly burdensome in the jurisdiction. However, local governments may enact ordinances or regulations not in conflict with this section, or with regulations enacted pursuant to this section, governing the time, place, and manner of operation of such facilities in the locality. A local government may establish civil penalties for violation of an ordinance or regulations governing the time, place, and manner of operation of a marijuana facility or entity holding a transportation certification that may operate in such locality.

(6) Local governments may enact ordinances or regulations not in conflict with this section, or with regulations enacted pursuant to this section, governing:

(a) The time and place where marijuana may be smoked in public areas within the locality; and

(b) The consumption of marijuana-infused products within designated areas, including the preparation of culinary dishes or beverages by local restaurants for on-site consumption on the same day it is prepared.

6. Taxation and Reporting.

(1) A tax shall be levied upon the retail sale of non-medical marijuana sold to consumers at marijuana facilities licensed pursuant to this section within the state. The tax shall be at a rate of six percent of the retail price. The tax shall be collected by each licensed retail marijuana facility and paid to the department of revenue. After retaining no more than two percent of the total tax collected or its actual collection costs, whichever is less, amounts generated by the marijuana tangible personal property retail sales tax levied in this section shall be deposited by the department of revenue into the veterans, health, and community reinvestment fund created under this subsection. Licensed entities making non-medical retail sales within the state shall be allowed approved credit for returns provided the tax was paid on the returned item and the purchaser was given the refund or credit. This tax shall not apply to medical marijuana dispensed to a registered qualifying patient or caregiver.

(2) There is hereby created in the state treasury the "Veterans, Health, and Community Reinvestment Fund" which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund. Notwithstanding any other provision of law, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The commissioner of administration is authorized to make cash operating transfers to the fund for purposes of meeting the cash requirements of the department in advance of it receiving application, licensing, and tax revenue, with any such transfers to be repaid as provided by law. The fund shall be a dedicated fund and shall be distributed as follows:

(a) First, as determined by appropriation, to the department an amount necessary for the department to carry out its responsibilities under this section, including repayment of any cash operating transfers, payments made through contract or agreement with other state and public agencies necessary to carry out this section, and a reserve fund to maintain a reasonable working cash balance for the purpose of carrying out this section;

(b) Second, as determined by appropriation, to governmental entities in amounts necessary for carrying out responsibilities in the expungement of criminal history records under this section;

(c) Next, the remaining fund balance shall be distributed in thirds as follows:

a. One-third of the remainder of the fund balance shall be transferred to the Missouri veterans commission and allied state agencies, as determined by appropriation, exclusively for health care and other services for military veterans and their dependent families;

b. One-third of the remainder of the fund balance to the department to provide grants to agencies and not-for-profit organizations, whether government or community-based, to increase access to evidence-based low-barrier drug addiction treatment, prioritizing medically proven treatment and overdose prevention and reversal methods and public or private treatment options with an emphasis on reintegrating recipients into their local communities, to support overdose prevention education, and to support job placement, housing, and counseling for those with substance use disorders. Agencies and organizations serving populations with the highest rates of drug-related overdose shall be prioritized to receive the grants; and

c. One-third of the remainder of the fund balance to the Missouri public defender system. Any moneys credited to the Missouri public defender system shall be used only for legal assistance for low-income Missourians, shall not be diverted to any other purpose.

(d) All monies from the taxes and fees authorized hereunder shall provide new and additional funding for the purposes enumerated above and shall not replace existing funding.

(e) The unexpended balance existing in the fund shall be exempt from the provisions of section 33.080, RSMo, or its successor provisions, relating to the transfer of unexpended balances to the general revenue fund.

(3) For all retail sales of marijuana, a record shall be kept by the seller of all amounts and types of marijuana involved in the sale and the total amount of money involved in the sale, including itemizations, taxes collected, and grand total sale amounts. All such records shall be kept on the premises in a readily available format and be made available for review by the department and the department of revenue upon request. Such records shall be retained for five years from the date of the sale.

(4) The tax levied pursuant to this subsection is separate from and in addition to any general state and local sales and use taxes that apply to retail sales, which shall continue to be collected and distributed as provided by general law.

(5) Pursuant to Article III, Section 49 of this Constitution, the governing body of any local government is authorized to impose, by ordinance or order, an additional sales tax in an amount not to exceed three percent on all tangible personal property retail sales of adult use marijuana sold in such political subdivision. The tax authorized by this paragraph shall be in addition to any and all other tangible personal property retail sales taxes allowed by law, except that no ordinance or order imposing a tangible personal property retail sales tax under the provisions of this paragraph shall be effective unless the governing body of the political subdivision submits to the voters of the political subdivision, at a municipal, county or state general, primary or special election, a proposal to authorize the governing body of the political subdivision to impose a tax. Any additional local retail sales tax shall be collected pursuant to general laws for the collection of local sales taxes.

(6) Except as authorized in this Article, no additional taxes shall be imposed on the sale of marijuana.

(7) The fees and taxes provided for in this section shall be fully enforceable notwithstanding any other provision in this Constitution purportedly prohibiting or restricting the taxes and fees provided for herein.

(8) For taxpayers authorized to do business pursuant to this Article, the amount that would have been deducted in the computation of federal taxable income pursuant to 26 U.S.C. Section 280E of the Internal Revenue Code as in effect on January 1, 2021, or successor provisions, but is disallowed because cannabis is a controlled substance under federal law, shall be subtracted from the taxpayer's federal adjusted gross income, in determining the taxpayer's Missouri adjusted gross income. The provisions of Section 1 and 2 shall supercede all laws and regulations, city, county, state and Federal that pertain to Cannabis in Missouri.

7. Additional Protections.

(1) A marijuana testing facility shall not be subject to civil or criminal prosecution under Missouri law, denial of any right or privilege, civil or administrative penalty or sanction, or disciplinary action by any accreditation or licensing board or commission for providing laboratory testing services that relate to marijuana consistent with this section and otherwise meeting legal standards of professional conduct.

(2) Notwithstanding any provision of Article V to the contrary, an attorney shall not be subject to disciplinary action by the Supreme Court of Missouri, the office of chief disciplinary counsel, the state bar association, any state agency or any professional licensing body for any of the following:

(a) Owning, operating, investing in, being employed by, or contracting with prospective or licensed marijuana testing facilities, marijuana cultivation facilities, marijuana dispensary facilities, marijuana-infused products manufacturing facilities, marijuana microbusiness facilities, or transportation certificate holders;

(b) Counseling, advising, and/or assisting a client in conduct permitted by Missouri law that may violate or conflict with federal or other law, as long as the attorney advises the client about that federal or other law and its potential consequences;

(c) Counseling, advising, and/or assisting a client in connection with applying for, owning, operating, or otherwise having any legal, equitable, or beneficial interest in marijuana testing facilities, marijuana cultivation facilities, marijuana dispensary facilities, marijuana-infused products manufacturing facilities, marijuana microbusiness facilities, or transportation certificates; or

(d) Counseling, advising or assisting a qualifying patient, primary caregiver, physician, nurse practitioner, health care provider, consumer, or other client related to activity that is no longer subject to criminal penalties under Missouri law pursuant to this Article.

(3) Actions and conduct by marijuana facilities licensed or otherwise certified by the department, or their employees or agents, as permitted by this section and in compliance with department regulations and other standards of legal conduct, shall not be subject to criminal or civil liability or sanctions under Missouri law, except as provided for by this section.

(4) The department may not promulgate a rule that requires a consumer to provide a marijuana facility with identifying information other than identification to determine the consumer's age.

(5) It is the public policy of the state of Missouri that contracts related to marijuana that are entered into by marijuana facilities and those who allow property to be used by those entities should be enforceable. It is the public policy of the state of Missouri that no contract entered into by marijuana facilities, or by a person who allows property to be used for activities that are exempt from state criminal penalties by this section, shall be unenforceable on the basis that activities related to marijuana may be prohibited by federal law.

(6) Prior to requesting a search or arrest warrant relating to cultivation of marijuana plants, a state or local law enforcement official shall verify with the department whether the targeted person holds a registration card allowing for cultivation of flowering marijuana plants under this section, and shall inform the issuing authority when making the warrant request. Evidence of marijuana alone, without specific evidence indicating that the marijuana is outside of what is lawful for medical or adult use, cannot be the basis for a search of a patient or non-patient, including their home, vehicle or other property. Lawful marijuana related activities cannot be the basis for a violation of parole, probation, or any type of supervised release. State and local law enforcement shall have access to such department information as is necessary to confirm whether the targeted person holds a registration card. Each time a state or local law enforcement officer executes a search warrant authorizing entry upon premises for an alleged marijuana offense, the officer must first knock or announce their presence or purpose prior to entering the premises.

(7) (a) After executing a search warrant for an alleged marijuana offense, or conducting a warrantless search for an alleged marijuana offense, the officer shall report the following information to the agency that employs the officer:

- a. The reasons for the warrant or, in the case of a warrantless search, a detailed account of either the probable cause or exigent circumstances, if any, which lead to the warrantless search;
- b. Whether any marijuana was discovered during the course of the search;
- c. Whether any marijuana was seized during the search, and if so, the amount seized;
- d. Whether any other contraband was discovered or seized in the course of the search, and if seized, a description of the contraband;
- e. A description of the tactics used by law enforcement to enter the property;
- f. Whether an arrest was made as a result of the search; and
- g. If an arrest was made, the crime suspected.

(b) Each law enforcement agency shall compile the data described in paragraph (a) of this subdivision for the calendar year into a report and shall submit the report to the attorney general no later than March first of the following calendar year. The attorney general shall determine the format that all law enforcement agencies shall use to submit the report.

(c) The attorney general shall submit a summary of the annual reports of law enforcement agencies to the governor, the general assembly, and each law enforcement agency no later than June first of each year. The summary shall include the total number of such warrants executed by each agency in the previous calendar year for alleged marijuana offenses, and a compilation of the information reported by law enforcement agencies pursuant to paragraph (b) of this subdivision.

8. Legislation.

Nothing in this section shall limit the general assembly from enacting laws consistent with the purposes and provisions of this section.

9. Additional Provisions.

(1) No owner of a marijuana facility or entity with a transportation certification shall be an individual with a disqualifying felony offense. A "disqualifying felony offense" is a violation of, and conviction or guilty plea to, state or federal law that is, or would have been, a felony under Missouri law, regardless of the sentence imposed, unless the department determines that:

(a) The person's conviction was for a marijuana offense that has been expunged or is currently eligible for expungement under this section; or

(b) The person's conviction was for a non-violent crime for which he or she was not incarcerated and that is more than five years old; or

(c) More than five years have passed since the person was released from parole or probation, and he or she has not been convicted of any subsequent felony criminal offenses.

The department may consult with and rely on the records, advice, and recommendations of the attorney general and the department of public safety, or their successor entities, in carrying out the provisions of this subdivision.

(2) Owners licensed pursuant to this section shall submit fingerprints to the Missouri state highway patrol for the purpose of conducting a state and federal fingerprint-based criminal record check in accordance with U.S. Public Law 92-544, or its successor provisions. The Missouri state highway patrol, if necessary, shall forward the fingerprints to the Federal Bureau of Investigation (FBI) for the purpose of conducting a fingerprint-based criminal background check. Fingerprints shall be submitted pursuant to section 43.543, RSMo, or its successor provisions, and fees shall be paid pursuant to section 43.530, RSMo, or its successor provisions. Unless otherwise required by law, no individual shall be required to submit fingerprints more than once.

(3) No marijuana facility shall manufacture, package, or label marijuana or marijuana-infused products in a false or misleading manner. No person shall sell any product in a manner designed to cause confusion between marijuana or a marijuana-infused product and any product not containing marijuana. A violation of this subdivision shall be punishable by an appropriate and proportional department sanction, up to and including an administrative penalty of five thousand dollars and loss of license.

(4) No marijuana facility may sell edible marijuana-infused candy in shapes or packages that are attractive to children or that are easily confused with commercially sold candy that does not contain marijuana. A violation of this subdivision shall be punishable by an appropriate and proportional department sanction, up to and including an administrative penalty of five thousand dollars and loss of license.

(5) All marijuana and marijuana-infused products shall be sold in individual, child-resistant containers that are labeled with serving amounts, instructions for use, and estimated length of effectiveness. All marijuana and marijuana-infused products shall be sold in containers clearly and conspicuously labeled, as mandated by the department, as containing "Marijuana" or a "Marijuana-Infused Product". Violation of this subdivision shall subject the violator to department sanctions, including an administrative penalty of five thousand dollars.

(6) A marijuana facility may not allow cultivation, manufacturing, sale, or display of marijuana, marijuana-infused products, or marijuana accessories to be visible from a public place outside of the marijuana facility without the use of binoculars, aircraft, or other optical aids.

(7) A marijuana facility may not cultivate, manufacture, test, sell, or store marijuana at any location other than a physical address approved by the department and within an enclosed area that is secured in a manner that prevents access by persons not permitted by the marijuana facility to access the area.

(8) A marijuana facility shall secure every entrance to the facility so that access to areas containing marijuana is restricted to employees and other persons permitted by the marijuana facility to access the area and to agents of the department or state and local law enforcement officers and emergency personnel and shall secure its inventory and equipment during and after operating hours to deter and prevent theft of marijuana, marijuana-infused products, and marijuana accessories.

(9) No marijuana facility may refuse representatives of the department the right to inspect the licensed premises or to audit the books and records of the marijuana facility. A facility that holds licenses issued under sections 1 and 2 of this Article shall comply with inspection regulations and standards issued pursuant to both sections.

(10) No marijuana facility, or entity with a certification, shall assign, sell, give, lease, sublicense, or otherwise transfer its license or certificate to any other entity without the express consent of the department, not to be unreasonably withheld.

(11) Real and personal property used in the cultivation, manufacture, transport, testing, distribution, sale, and administration of marijuana for activities otherwise in compliance with this section shall not be subject to asset forfeiture solely because of that use.

(12) No person shall extract resins from marijuana using dangerous materials or combustible gases without a medical marijuana-infused products manufacturing facility license, marijuana-infused products manufacturing facility license, or a marijuana microbusiness wholesale facility license. Violation of this prohibition shall subject the violator to department sanctions, including an administrative penalty of one thousand dollars for an individual and ten thousand dollars for a facility licensee and, if applicable, loss of certificate or license for up to one year.

10. Personal Use of Marijuana.

(1) Subject to the limitations in subsection 3 of this section, the following acts by a person at least twenty-one years of age are not unlawful and shall not be an offense under state law or the laws of any local government within the state or be a basis to impose a civil fine, penalty, or sanction, or be a basis to detain, search, or arrest, or otherwise deny any right or privilege, or to seize or forfeit assets under state law or the laws of any local government:

(a) Purchasing, possessing, consuming, using, ingesting, inhaling, processing, transporting, delivering without consideration, or distributing without consideration three ounces or less of dried, unprocessed marijuana, or its equivalent;

(b) Possessing, transporting, planting, cultivating, harvesting, drying, processing, or manufacturing up to six flowering marijuana plants, six nonflowering marijuana plants (over fourteen inches tall), and six clones (plants under fourteen inches tall) provided the person is registered with the department for cultivation of marijuana plants under this section, provided:

- a. The plants and any marijuana produced by the plants in excess of three ounces are kept at one private residence, are in a locked space, and are not visible by normal, unaided vision from a public place; and
- b. Not more than twice the number of allowable plants under paragraph (b) of this subdivision are kept in or on the grounds of a private residence at one time.

(c) Assisting another person who is at least twenty-one years of age in, or allowing property to be used for, any of the acts permitted by this section; and

(d) Purchasing, possessing, using, delivering, distributing, manufacturing, transferring, or selling to persons twenty-one years of age or older marijuana accessories.

(2) A person who, pursuant to this section, cultivates marijuana plants that are visible by normal, unaided vision from a public place is subject to a civil penalty not exceeding two hundred and fifty dollars and forfeiture of the marijuana.

(3) A person who, pursuant to this section, cultivates marijuana plants that are not kept in a locked space is subject to a civil penalty not exceeding two hundred and fifty dollars and forfeiture of the marijuana.

(4) A person who smokes marijuana in a public place, other than in an area licensed for such activity by the authorities having jurisdiction over the licensing and/or permitting of said activity, is subject to a civil penalty not exceeding one hundred dollars.

(5) A person who is under twenty-one years of age who possesses, uses, ingests, inhales, transports, delivers without consideration or distributes without consideration three ounces or less of marijuana, or possesses, delivers without consideration, or distributes without consideration marijuana accessories is subject to a civil penalty not to exceed one hundred dollars and forfeiture of the marijuana. Any such person shall be provided the option of attending up to four hours of drug education or counseling in lieu of the fine.

(6) Subject to the limitations of this section, a person who possesses not more than twice the amount of marijuana allowed pursuant to this subsection, produces not more than twice the amount of marijuana allowed pursuant to this subsection, delivers without receiving any consideration or remuneration to a person who is at least twenty-one years of age not more than twice the amount of marijuana allowed by this subsection, or possesses with intent to deliver not more than twice the amount of marijuana allowed by this subsection:

(a) For a first violation, is subject to a civil infraction punishable by a civil penalty not exceeding two hundred and fifty dollars and forfeiture of the marijuana;

(b) For a second violation, is subject to a civil infraction punishable by a civil penalty not exceeding five hundred dollars and forfeiture of the marijuana;

(c) For a third or subsequent violation, is subject to a misdemeanor punishable by a fine not exceeding one-thousand dollars and forfeiture of the marijuana;

(d) A person under twenty-one years of age is subject to a civil penalty not to exceed two hundred and fifty dollars. Any such person shall be provided the option of attending up to eight hours of drug education or counseling in lieu of the fine; and

(e) In lieu of payment, penalties under this subsection may be satisfied by the performance of community service. The rate of pay-down associated with said service option will be the greater of \$15 or the minimum wage in effect at the time of judgment.

(7) (a) Any person currently incarcerated in a prison, jail or halfway house, whether by trial or open or negotiated plea:

- a. Who would not have been guilty of an adult or juvenile offense, had sections 1 and 2 of this Article been in effect at the time of the offense; or
- b. Who would have been guilty of a lesser adult or juvenile offense had sections 1 and 2 of this Article been in effect at the time of the offense; or
- c. Who is serving a sentence for a marijuana offense which is a misdemeanor, a class E felony, or a class D felony, or successor designations, involving possession of three pounds or less of marijuana, excluding offenses involving distribution or delivery to a minor, any offenses involving violence, or any offense of operating a motor vehicle while under the influence of marijuana; may petition the sentencing court to vacate the sentence, order immediate release from incarceration and other supervision by the department of corrections, and the expungement of all government records of the case. Such expungement from all government records shall be granted for all of the person's applicable marijuana offenses, absent good cause for denial. The effect of such orders shall be to restore such person to the status the person occupied prior to such arrest, plea or conviction and as if such event had never taken place, and the conviction and sentence shall be vacated as legally invalid. No person for whom such order has been entered shall be held thereafter under any provision of any law to be guilty of perjury or otherwise giving a false statement by reason of the person's failure to recite or acknowledge such arrest, plea, trial, conviction, or expungement in response to any inquiry made of the person for any purpose whatsoever, and no such inquiry shall be made for information relating to an expungement. The court shall not assess any filing fee for these filings. The office of the state public defender shall prepare and make readily available and accessible a pleading form that may be filed pro se for this purpose. The circuit courts of the state shall also make readily available and accessible this pleading form. Within ninety days of the effective date of this section, the sentencing court shall complete the adjudication for all cases involving only misdemeanor marijuana offenses. Within one hundred and eighty days of the effective date of this section, the sentencing court shall complete the adjudication for all cases involving class E, or successor designation, felony marijuana offenses and, if applicable, any additional marijuana misdemeanor offenses by such offenders. Within two hundred and seventy days of the effective date of this section, the sentencing court shall complete the adjudication for all class D, or successor designation, felony cases involving three pounds or less of marijuana, as well as any lesser marijuana offenses by such offenders, if applicable. This shall not apply to offenses while operating a commercial motor vehicle as defined in 49 CFR 390.5, or its successor provisions, in interstate or intrastate transportation unless otherwise exempted as found in section 307.400, RSMo, or its successor provisions.

(b) Any person currently on probation or parole for a marijuana law violation, whether by trial or open or negotiated plea:

- a. Who would not have been guilty of an adult or juvenile offense, had sections 1 and 2 of this Article been in effect at the time of the offense; or
- b. Who would have been guilty of a lesser adult or juvenile offense had sections 1 and 2 of this Article been in effect at the time of the offense; or
- c. Who was convicted or plead guilty to a marijuana offense which is a misdemeanor, a class E felony, or a class D felony, or successor designations, involving the possession of three pounds or less of marijuana, excluding distribution or delivery to a minor or any offense of operating a motor vehicle while under the influence of marijuana; shall, upon the effective date of this section, have their sentence automatically vacated by the sentencing court, which shall order the immediate termination of supervision by the department of corrections, and the expungement of all government records of the case. Such expungement from all government records shall be granted for all of the person's applicable marijuana offenses, absent good cause for denial. The effect of such orders shall be to restore such person to the status the person occupied prior to such arrest, plea or conviction and as if such event had never taken place, and the conviction and sentence shall be vacated as legally invalid. No person for whom such order has been entered shall be held thereafter under any provision of any law to be guilty of perjury or otherwise giving a false statement by reason of the person's failure to recite or acknowledge such arrest, plea, trial, conviction, or expungement in response to any inquiry made of the person for any purpose whatsoever, and no such inquiry shall be made for information relating to an expungement. The court shall not assess any filing fee for these cases. This shall not apply to offenses while operating a commercial motor vehicle as defined in 49 CFR 390.5, or its successor provisions, in interstate or intrastate transportation unless otherwise exempted as found in section 307.400, RSMo, or its successor provisions.

(8) (a) Within six months of the effective date of this section, the circuit courts of this state shall order the expungement of the criminal history records of all misdemeanor marijuana offenses for any person who is no longer incarcerated or under the supervision of the department of corrections. Within twelve months of the effective date of this section, the circuit courts of this state shall order the expungement of criminal history records for all persons no longer incarcerated or under the supervision of the department of corrections but who have completed their sentence for any felony marijuana offenses and any marijuana offenses that would no longer be a crime after the effective dates of sections 1 and 2 of this Article, excluding distribution or delivery to a minor, any such offenses involving violence, or any offense of operating a motor vehicle while under the influence of marijuana. For all class A, class B and class C, or successor designations, felony marijuana offenses, and for all class D, or successor designation, felony marijuana offenses for possession of more than three pounds of marijuana, the circuit courts of this state shall order expungement of criminal history records upon the completion of the person's incarceration, including any supervised probation or parole. For the purposes of this subdivision, "criminal history record" means all information documenting an individual's contact with the criminal justice system, including data regarding identification, arrest or citation, arraignment, judicial disposition, custody, and supervision.

(b) An expungement order shall be legally effective immediately and the person whose record is expunged shall be treated in all respects as if he or she had never been arrested, convicted, or sentenced for the offense, and the conviction and sentence shall be vacated as legally invalid. The court shall issue an order to expunge all records and files related to the arrest, citation, investigation, charge, adjudication of guilt, criminal proceedings, and probation related to the sentence. The court shall provide notice of the expungement to the person who is the subject of the record at the person's last known address, the arresting agency, prosecuting attorneys, central state depository of criminal records, and any other entity that may have a record related to the order to expunge. The central state depository of criminal records shall provide notice of the expungement to the Federal Bureau of Investigation's National Crime Information Center, or its successor agency. The court shall issue the person a certificate stating that the offense for which the person was convicted has been expunged and that its effect is to annul the record of arrest, conviction, and sentence.

(c) The effect of such expungement shall be to restore such person to the status the person occupied prior to such arrest, plea, or conviction and as if such event had never taken place. Such person shall not be required to acknowledge the existence of such a criminal history record or answer questions about the record in any application for employment, license, or civil right or privilege or in an appearance as a witness in any proceeding or hearing, and may deny the existence of the record regardless of whether the person has received notice from the court that an expungement order has been issued on the person's behalf.

(d) No person shall be prosecuted again for any offense which has been vacated or expunged.

(e) The court shall keep a special index of cases that have been expunged together with the expungement order and the certificate issued pursuant to this subsection. The index shall list only the name of the person convicted of the offense, his or her date of birth, the docket number, and the criminal offense that was the subject of the expungement. The special index and related documents shall be confidential and shall be physically and electronically segregated in a manner that ensures confidentiality and that limits access to authorized persons. The court may permit special access to the index and the documents for research purposes pursuant to the rules for public access to court records. The index and documents made available by the court may not include any identifying information.

(9) A person currently under parole, probation, or other state supervision, or released awaiting trial or other hearing, may not be punished or otherwise penalized based solely on conduct that is permitted by this section.

(10) No conduct permitted by this section shall constitute the basis for detention, search, or arrest; and except when law enforcement is investigating whether a person is operating a motor vehicle, train, aircraft, motorboat, or other motorized form of transport while under the influence of marijuana, the odor of marijuana or burnt marijuana, the possession or suspicion of possession of marijuana without evidence of a quantity in excess of the lawful amount, or the possession of multiple containers of marijuana without evidence of quantity in excess of the lawful amount shall not individually or in combination with each other constitute reasonably articulable suspicion of a crime. Marijuana and marijuana-infused products as permitted by this section are not contraband nor subject to seizure.

(11) A person shall not be denied eligibility in public assistance programs or public benefits based solely on conduct that is permitted by this Article, unless required by federal law.

(12) No person shall be denied their rights under Article 1, Section 23 of the Missouri Constitution, solely for conduct that is permitted by this section.

(13) No person shall be denied parental rights, custody of, or visitation with a minor child by a state or local government executive agency based solely on conduct that is permitted by this section, unless the person's behavior is such that it creates an unreasonable danger to a minor child that can be established by clear and convincing evidence.

11. Interstate Commerce.] 3. Interstate Commerce.

If federal law, rules, or regulations are amended to allow the interstate commerce of marijuana or marijuana-infused products or the importation or exportation of marijuana or marijuana-infused products into or out of the state of Missouri, the provisions and intent of this section shall, to the extent possible, remain in full effect, unless explicitly preempted by such federal law, rule, or regulation. If federal law, rules, or regulations are amended as provided above, any marijuana or marijuana-infused products imported into this state shall be subject to the same testing standards and seed-to-sale tracking system required under this section for marijuana and marijuana-infused products produced within the state. Unless federal law, rules, or regulations explicitly require otherwise, no entity shall sell, transport, produce, distribute, deliver, or cultivate marijuana or marijuana-infused products without an applicable license or certificate as required under this section. In addition, any raw biomass of marijuana or marijuana flower imported from out-of-state shall be received only by a licensed cultivation facility, while all batch oil, infused marijuana products and any marijuana product in any other form shall be received only by a licensed manufacturing facility.] The Interstate Commerce of Cannabis, Cannabis products and/or Cannabis accessories, from Missouri shall be permitted to those states and nations that have legalized Cannabis in some form. The level of restriction of Cannabis commerce to any state or nation shall be based on the laws of the recipient of Missouri's Cannabis products.

[12. Severability.] 4. Severability.

[The provisions of this section are severable, and if any clause, sentence, paragraph or section of this measure, or an application thereof, is adjudged invalid by any court of competent jurisdiction, the other provisions shall continue to be in effect to the fullest extent possible.] The provisions of this section are severable. If any clause, sentence, paragraph or section of this measure, or an application thereof, is deemed invalid by a majority vote from a General Election, the other provisions shall continue to be in effect to the fullest extent possible.

[13. Effective Date.] 5. Effective Date of Implementation.

[The provisions of this section shall become effective within thirty days following the election, as provided by this Constitution.] The dictates of this Initiative, unless otherwise indicated by this Initiative shall be implemented no later than January 31st, 2025.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-112)**

Subject

Initiative petition from Mark Pedersen regarding a proposed constitutional amendment to Article XIV of the Constitution of Missouri. (Received May 15, 2023)

Date

June 2, 2023

Description

This proposal would amend Article XIV of the Constitution of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, **University of Central Missouri**, **Harris-Stowe State University**, **Lincoln University**, **Missouri State University**, **Missouri Southern State University**, **Missouri Western State University**, **Northwest Missouri State University**, **Southeast Missouri State University**, **Truman State University**, **Missouri Veterans Commission**, **Missouri Office of Prosecution**

Services, the Kansas City Board of Police Commissioners, and the Metropolitan Police Department - City of St. Louis.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-112 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated:

This could reduce new small business opportunities for businesses that currently fall under Section 1 and Section 2 of Article XIV of the Missouri Constitution. The passage of this initiative petition can have an increase of local food safety inspection if cannabis is considered a food.

Article XIV, Constitution of Missouri

Initiative Petition 24-112 places on the ballot in November 2024 a proposed amendment to the Constitution that repeals Section 1, Article XIV, Constitution of Missouri relating to medical marijuana for patients with serious illnesses and medical conditions and Section 2, Article XIV, Constitution of Missouri relating to the legalization under state and local law for adults twenty-one years of age or older and to control the commercial production and distribution of marijuana through licensing and regulations while protecting public health. In addition to the repeal of Section 1 and 2 of Article XIV of the Constitution of Missouri, the initiative petition Cannabis would be considered a food and not a controlled substance or a drug. The initiative petition amends the Article XIV of the Missouri Constitution to be called Missouri Cannabis Restoration. The law is to be implemented no later than January 31, 2025.

It is assumed, as a result of the repeal of Section 1 and Section 2, Article XIV, a portion of the five (5) months of expenses may be avoided in fiscal year (FY) 2025. The Department of Health and Senior Services (DHSS), Division of Cannabis Regulation will require full-

time employee (FTE) past the January 31, 2025 effective date to complete the discontinuation of the program and handle pending issues including processing refunds.

DHSS is not able to estimate the impact the repeal of Section 1 and 2 would have on revenues in FY 2025. The repeal eliminates any revenue collection for identification cards for patients and caregivers, collections from cultivators, dispensaries, manufacturing facilities, and testing facilities. The repeal eliminates any sales tax charged on cannabis, which would also be a decrease in revenue collected. Any remaining balance in the Veterans Health and Care Fund (0606) once all items are closed, will be transferred to the Missouri Veterans Commission. This will result in a \$0 balance in the Missouri Veterans Health and Care Fund. Any remaining balance in the fund, in the Veteran Community, Health, and Reinvestment Fund (0608) once all items are closed, will be transferred to the Missouri Veterans Commission and allied state agencies, Missouri Public Defender System, and for the Substance Use Disorder grants to agencies and not-for-profit organizations. This will result in a \$0 balance in the Veteran Community, Health, and Reinvestment Fund.

Cultivation facilities, testing facilities, product manufacturing facilities, and retail stores or other entities that cultivates, prepares, manufactures, packages, transports, or sells Cannabis food products or accessories, would become food establishments that would require food safety inspections. This would increase the number of DHSS trainers needed to prepare the local jurisdictions to inspect such facilities. The number of staff would be unknown as it would be dependent upon how many establishments remained once Cannabis was considered a food as those cannabis stores could go out of business.

The U.S. Food and Drug Administration (FDA) is DHSS' Division of Community and Public Health (DCPH), Bureau of Environmental Health Services funding source for field operations. These federal grants would be in jeopardy if this initiative petition were to be passed amending cannabis from a controlled substance to be considered a food.

The State Public Health Lab (SPHL) would no longer require the FTE appropriated in the FY 2024 budget with the repeal of Section 1 and 2 of Article XIV. However, SPHL assumes the loss of the FDA Laboratory Flexible Funding Model grant for food testing as a result of Cannabis being considered a food with the passage of the initiative petition.

The language in the initiative petition could put other federal funds in jeopardy as cannabis is still illegal at the federal level, therefore, making the full loss an unknown for DCPH and the State Public Health Lab (SPHL).

The Division of Administration would no longer require the FTE appropriated in the FY 2024 budget. However, due to the increase of workload in DCPH and the SPHL the Division of Administration would require additional General Revenue funded FTE in order to support the increase of staff in those areas.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this petition would modify Article XIV of the Missouri Constitution regarding medical and recreational cannabis use. Provisions of this initiative petition require employers to allow employees to use medical cannabis in the work environment. Their department facilities and community providers may be in conflict with Federal guidelines and the Joint Commission on Accreditation as well as compliance with the Drug-Free Workplace Act.

The initiative petition may jeopardize patient safety. The exact fiscal impact is unknown but could be significant.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated this legislation may cause an increase in workload for Institutional Records Office Staff, as it expands the list of offenses for which an individual can request expungement. Expunging these records through destruction, redacting or removal (electronic) will result in an increase in workload for their Institutional Records Officers, as they are the custodian of records for their offender files. This could also affect records kept at Probation and Parole Offices. While it represents an increase in workload, it is not anticipated that petitions for expungement will occur often enough to significantly impact the Department of Corrections. While their department assumes a \$0 impact, the use of expungement by offenders is unknown. There is some concern for tracking previous medical, mental health, substance use treatment, and education records should the offender return to supervision by their department. If there should be a significant number of additional requests for expungement, it could result in additional costs to their department.

Officials from the **Department of Labor and Industrial Relations (DOLIR)** indicated there are over 171,000 small businesses (less than 50 employees) covered under Missouri's unemployment insurance system. Because Missouri's UI program is certified in conformity with Federal UI laws, most employers never actually pay the total 6.0% in FUTA taxes due to the credits they receive for the payment of state unemployment taxes and for paying reduced rates under an approved experience rating plan. However, this bill could cause Missouri employers to pay the full 6.0%.

DOLIR pointed out significant issues on pages 4 and 5 of the petition. On page 4, it states that no one shall be denied employment solely based on cannabis use, and on page 5, it states that a person formally prescribed cannabis to medicate must be provided a place to do so by their employer.

Marijuana is still a Class 1 controlled substance and illegal at the federal level, which can result in a federal felony conviction. DOLIR operates programs funded by federal dollars and/or federal match funds. As such, permitting marijuana use, regardless of prescription and state law, would jeopardize federal funding and would not conform to federal standards.

Each year, on October 31, the Secretary of Labor certifies the state unemployment insurance programs that conform and comply substantially with federal law. (26 U.S.C. § 3304.) If, and only if, a state's unemployment insurance program is certified to be in conformity with Federal requirements, employers within the state are eligible to receive a credit against their Federal Unemployment Tax Act (FUTA) taxes. (26 U.S.C. § 3302.)

Non-conformity with federal law could jeopardize the certification of Missouri's UI program. If the program fails to be certified, Missouri could lose approximately \$50.3 million in federal funds the state receives each year to administer the UI program. Additionally, Missouri could lose the approximately \$11.3 million in federal funds each year the Department of Higher Education and Workforce Development uses for Wagner-Peyser reemployment services.

The FUTA imposes a 6.0% payroll tax on employers. Most employers never actually pay the total 6.0% due to credits they receive for the payment of state unemployment taxes and for paying reduced rates under an approved experience rating plan. FUTA allows employers tax credits up to a maximum of 5.4% against the FUTA payroll tax if the state UI law is approved by the Secretary of Labor. However, if this bill causes Missouri's program to be out of compliance or out of conformity, Missouri employers would pay the full 6.0%, or approximately an additional \$1.034 billion per year.

The Division of Employment Security (DES) has no way of knowing what rules or regulations may be promulgated by any federal agency. But if such a rule were promulgated and failure to follow it were to result in lack of conformity with federal unemployment program requirements, then federal funding to DES for its administration of Missouri's UI program, Department of Higher Education and Workforce Development Wagner-Peyser funds, and Missouri employer tax credits will be at risk.

If Missouri's unemployment insurance (UI) program is found to be out of compliance or out of conformity, Missouri would lose approximately \$50.3 million in Federal Funds the Department of Labor and Industrial Relations receives to administer the UI program and approximately \$11.3 million the Department of Higher Education and Workforce Development receives to administer Wagner-Peyser services each year. Additionally, Missouri employers would lose approximately \$ 1.0 billion annually in FUTA credits if Missouri's UI program is out of compliance or out of conformity.

The \$1.034 billion figure given is the additional federal unemployment tax employers will have imposed on them by the Federal Unemployment Tax Act. This tax is derived based on the employer's payroll, and is not the State of Missouri's UI tax. As a result, this increase would not directly affect what is deposited into the UI Trust Fund. Indirectly, being forced to pay the full 6% federal unemployment tax would severely affect employers within the state. Employers would be likely to relocate or refuse to open in a state where there was no FUTA tax credit applied. This would, in turn, reduce the amount of UI tax received by the State, and therefore affect the trust fund in an indeterminable amount based on the number of employers who would no longer do business in Missouri. The estimated future impact

to employers is the \$1.034 billion aforementioned figure. Benefit payouts for UI claims are determined by Section 288.038, which utilizes a formula based on the employee's wages during their base period to calculate the benefit amount. The imposition of the full 6% federal UI tax would not directly affect benefit payout.

Officials from the **Department of Revenue (DOR)** indicated they estimated one-time costs of \$14,386 and total estimated lost revenue on all state funds of \$0 in fiscal year 2024, \$24,558,710 to \$42,725,766 in fiscal year 2025, and \$74,882,330 to \$128,177,311 in fiscal year 2026; a total estimated lost revenue on all federal funds of \$0 in fiscal year 2024, \$0 in fiscal year 2025, and \$52,500,000 in fiscal year 2026; and a total estimated lost revenue for all local funds of \$0 in fiscal year 2024, \$13,644,904 to \$19,566,568 in fiscal year 2025, and \$40,934,713 to \$58,699,707 in fiscal year 2026.

IP 24-112

This is an initiative petition that would go to the vote of the people at the November 2024 general election. If this is not adopted by the people, this would not have a fiscal impact.

Should this be adopted at the November 2024 election, by the time certification of the election occurs, it is assumed this constitutional amendment would have a January 1, 2025 effective date. Per the requirements of this proposal, it must be fully implemented by January 31, 2025.

Section 1- MO Cannabis Restoration

Article XIV Section 1 – Currently sets up medical cannabis as legal and allows for a tax of 8.225% to be assessed on all cannabis purchased. The tax has a 4% cannabis tax for veterans and the regular state sales tax of 4.225%. In addition, the local sales tax rate is also collected. They used a weighted average local sales tax rate of 4.07% for calculating fiscal notes. Note the cannabis tax is calculate first and the sales tax is calculated on the purchase price + cannabis tax. The state portion of the tax is distributed to the following state funds:

Missouri Veterans Health Care Fund (4%)

General Revenue (3%)

School Districts Trust Fund (1%)

Conservation Commission (0.125%)

Parks, Soil & Water (0.1%)

This proposed amendment would repeal the current medical & recreational cannabis laws and replaces it with a statement that cannabis is legal and will be considered a food under Missouri law. This proposal says that medical marijuana will not be subject to any taxation.

Therefore, under this proposal the entire 8.225 state tax and 4.07% local tax will no longer be collected on medical cannabis.

In order to calculate the loss to the state and local political subdivisions they used the calendar year 2022 data (the most complete data available). It showed taxable sales of \$369,055,153 of medical cannabis. Therefore, DOR collected the following taxes:

Taxable Sales	\$369,055,153		
	Tax Rate		CY 2022
State Excise Tax medical	0.04		(\$14,762,206)
General Revenue	0.03		(\$11,071,655)
School District Trust	0.01		(\$3,690,552)
Conservation Commission	0.00125		(\$461,319)
Park Soil & Water	0.001		(\$369,055)
Total State Sales Tax			(\$15,592,580)
Local Sales Tax	0.0407		(\$15,020,545)
Local Excise Tax	0.03		(\$11,071,655)
Total Local Tax			(\$26,092,199)

Therefore the repeal of the medical cannabis taxes will result in a loss to the MO Veterans Health & Care Fund of (\$14,762,206) annually. It will also result in a loss to the state sales tax funds of (\$15,592,580) and to the local political subdivision of (\$26,092,199) annually.

Given the removal of all tax from medical cannabis, while recreational will still have some tax, they could see a shift from recreational use to more medical use. Therefore, the repeal of the medical cannabis taxes could exceed the estimates provided.

Current law allows the DOR to retain up to 2% of the medical cannabis tax collected to reimburse their expenses. It should be noted that DOR only retains 1%. Repealing the tax would also result in a loss of that retained fee. Note, the retained fee is transferred to general revenue and not used by DOR.

Section 1 - Subsection 4(8)- Cannabis Deduction

Article XIV, Section 1 allowed cannabis businesses' a subtraction from their federal adjusted gross income in the amount that would have been allowed from the computation of the taxpayer's federal taxable income if the income were not disallowed solely from them being a marijuana business. Under federal law cannabis is a controlled substance and business selling it are not allowed some deductions that other businesses are entitled to. Since cannabis is allowed to be sold in Missouri, this would allow them to adjust their

federal adjusted gross income before calculating their Missouri adjusted gross income. This proposed amendment would eliminate this provision from the constitution.

Their department is unable to calculate the amount of income and deductions that these businesses could possibly be allowed to deduct under this proposal. Since this proposal was legal in November of 2022, their department has not finished processing all the tax returns (2022 tax year) and therefore is not able to determine the extent of the claimed deduction. At the time of the passage of the recreational cannabis laws their department noted this could result in an Unknown that could be significant negative fiscal impact to general revenue and total state revenue from this deduction. So repealing this provision would generate an Unknown positive impact to general revenue.

This would require their department to again change their Forms MO-A and the MO-1120. This could result in some computer programming changes and form changes estimated at \$7,193 in one-time costs.

Article XIV, Section 2 Recreational Cannabis

Current law established a procedure starting January 1, 2023, to allow adults to buy and use recreational cannabis. It also established a 6% tax on the retail sale of cannabis that is distributed to the Veterans, Health & Community Reinvestment Fund. Additionally, recreational cannabis was subject to state and local sales tax. The proposal then allowed local political subdivisions to pass a law to collect a 3% excise tax.

Due to the starting of the recreational cannabis in January of 2023, they do not have enough tax data (1 month) to make an estimate of the impact. This IP will treat cannabis as food and therefore the only state sales tax collected will be 1.225%. The locals will be allowed to collect their 4.07% weighted average sales tax on food but will no longer be allowed to collect the cannabis 3% tax. As of the drafting of this fiscal note, 143 local political subdivisions have passed a law to collect the 3% tax. However, due to how sales tax implementation occurs, they will not start collecting any of the 3% tax until October 1, 2023.

In order to calculate the impact of recreational marijuana the department used information from several national sources. Based on a study completed by Gallup in April 2022, 16% of the nation's adults smoke or use cannabis regularly. Information from the U.S. Census Bureau indicate there are 4,794,095 adults over the age of 18 in Missouri and therefore no more than 767,055 could be using cannabis regularly.

A report published by Headset Inc, a market insights from Seattle-based cannabis intelligence company, believes that the average cannabis consumer spends roughly \$645 on marijuana related products per year. They note that on average a person spends \$33 per trip to the store. LendEDU conducted a survey of student loan holders and found on average they spend \$111 a month on cannabis products for a high price of \$1,332 annually.

It should be noted that the price of the cannabis would have the excise tax added to it and then the sales tax is calculated. While they were able to get estimates of the amount spent on cannabis annually it was not clear if the excise tax and or sales tax is included in those annual prices. So they ran calculations assuming it was include and assuming it wasn't to determine the amount of taxes that could be generated.

If the 16% of adults in Missouri, age 21 and older, spend \$645 each year on cannabis and included in this amount is the excise tax (passed on from seller to purchaser) and assuming the current cannabis rate of tax at 6%, their department estimates that \$29,685,029 would be collected from the excise tax.

$$- (\$645 \times 6\% = \$38.70 \times 767,055) = \$29,685,029$$

If the average amount spent each year on cannabis by adults in Missouri, over the age of 21, is \$645 and the tax is not included in this amount, their department estimates that \$31,571,984 would be collected.

$$- (\$645 / 94\% = \$686 \times 6\% = \$41.16 \times 767,055 = \$31,571,984$$

Based on information provided by LendEDU, the largest pool of individuals surveyed spent \$1,332 or above each year on cannabis and cannabis products.

If the \$1,332 included tax (assumed at 6%), their department estimates that \$61,303,036 would be collected.

If the \$1,332 does not include tax, their department estimates that \$65,215,016 would be collected.

In order to determine the impact from the elimination of the 6% cannabis tax, they will use a range using the amount calculated for the low price with the tax included in the price to the amount calculated for the high price with no tax included in the price. This proposal would result in a loss to the Veterans Health and Community Reinvestment Fund of the excise tax.

Fiscal Year 2025 (4 months)		Fiscal Year 2026	
Loss to Veterans Health & Community Reinvestment Fund		Loss to Veterans Health & Community Reinvestment Fund	
Low	High	Low	High
\$9,895,010	\$21,738,339	\$29,685,029	\$65,215,016

Since the local political subdivisions can assess a 3% cannabis tax if they registered the tax with DOR, this will result in a loss of \$14,842,514 to \$32,607,508 annually for locals from the elimination of this tax. While this tax will not be collected until October of 2023, it will be in effect when this proposal is voted on. They will show the loss as estimated.

Current law additionally allows the State to also collect sales and use tax on cannabis. This proposal is defining cannabis as a food product. Therefore, it would be assessed the sales

tax allowed for food. The general revenue (3%) portion of the state sales tax is not collected on food. The only state sales tax on food is 1.225%. The 1.225% is distributed 1% to the School District Money Fund, 0.125% to the Conservation Commission Fund and 0.1% to the Park, Soil & Water Funds. Additionally, the local sales tax of 4.07% is also collected.

Using the \$645 price at the low end (price included the excise tax) they can estimate the amount of the 3% general revenue sales tax that will no longer be collected. They determine taxable sales by taking the $\$645 \times 767,055 = \$494,750,475$ in taxable sales. Multiplying this by the 3% general revenue portion of the sales tax and it will result in a loss of \$14,842,514 annually. Additionally, on the high end of \$1,417 (41,332 + excise tax not in the price) they can assume a loss of the 3% general portion of \$32,607,508.

Sales tax is remitted to DOR based on the amount of reported sales of a business. Therefore, some file monthly and others file quarterly. Additionally, it is filed in the month after the filing period closes. Therefore the FY 2025 loss will only be for four months. The estimated loss per fiscal year:

This provision will result in a loss to general revenue.

Loss to General Revenue		
Fiscal Year	Low End	High End
2025 (4 months)	(\$4,947,505)	(\$10,869,169)
2026+	(\$14,842,514)	(\$32,607,508)

Due to recreational cannabis still having some taxes collected on it while the medical would not, they would assume some recreational users may become medical users and depending on how many are able to switch, the impact to general revenue could be different than the estimates calculated.

This will require changes to our database and those changes are estimated at \$7,193.

Article XIV, Section 1.8 Expungement of Records

When the current Article XIV language was proposed, the department noted that as written, it would allow eligible individuals with marijuana-related Driving While Intoxicated offenses to expunge those offenses. Allowing marijuana-related driving offenses to be expunged as proposed would, in some instances, compromise the state's enforcement of the provisions of Section 302.060, regarding five-year and ten-year alcohol and drug license denials. In other instances, it would compromise the enhancement provisions of Section 302.525, and the state's ignition interlock programs requiring offenders with multiple offenses to have an interlock device on any vehicle they operate for a minimum period of six months from the date of license reinstatement.

The language in that IP was believed to be inconsistent with the provisions of Sections 577.054 and 610.130, which do not allow a driving while intoxicated (DWI) offense to be expunged until after 10 years from date of conviction, and only if the person has no other

DWI offenses on record or pending. It was unclear if the expungement under that IP would result in non-compliance with federal law.

As written, that IP could potentially allow eligible individuals with marijuana-related Driving While Intoxicated offenses who hold a commercial driver license (CDL) to expunge those offenses, which would violate federal Commercial Driver License (CDL) provisions. The violation would be caused by masking of violations and record keeping requirements for convictions and license actions committed in any type of vehicle under 49 CFR Section 384, specifically, the provisions of §384.225(d), as adopted in Missouri under §302.347, RSMo, for offenses committed by those required to possess a CDL.

DOR noted that failure to comply with federal regulations under 49 CFR Section 384 could result in the loss of Federal-aid highway funds apportioned to the State, as defined in 49 CFR 384.401, with the first year of non-compliance resulting in a 4% reduction of federal funding, and each subsequent year subject to a 8% reduction. That proposal could result in the decertification under 49 CFR 384.405, resulting in Missouri not being able to issue CDL credentials.

DOR notes that this IP with its changes, would place Missouri's CDL program in a state of substantial noncompliance. This IP makes no exception for CDL holders and therefore, DOR would expect a loss of funding as delineated in 49 CFR 384.401:

49 CFR 384.401 Withholding of funds based on noncompliance.

(a) Following the first year of noncompliance. An amount up to 4 percent of the Federal-aid highway funds required to be apportioned to any State under each of sections 104(b)(1) and (2) of title 23 U.S.C. shall be withheld from a State on the first day of the fiscal year following such State's first year of noncompliance under this part.

(b) Following second and subsequent year(s) of noncompliance. An amount up to 8 percent of the Federal-aid highway funds required to be apportioned to any State under each of sections 104(b)(1) and (2) of title 23 U.S.C. shall be withheld from a State on the first day of the fiscal year following such State's second or subsequent year(s) of noncompliance under this part.

Assuming FMSCA CDL noncompliance by the state of Missouri and the amount of funding the state receives from these program, they estimate a loss in Year 1 of approximately \$42.5 million and \$85 million in Year 2 and beyond. As stated in the federal regulation, the withholding for noncompliance is done in the following fiscal year, therefore, FY 2026 will be year 1.

Additionally, that proposal was expected to result in the department violating §302.347, RSMo, which contains Missouri adopting federal record keeping requirements under 49 CFR Section 384 to report to the CDLIS (Commercial Driver's License Information System) all convictions and license actions committed in any type of vehicle for CDL holders or those required to possess a CDL. It should be noted that federal regulations and

state statutes consider a repeat offender to be any person who has been convicted of more than one impaired driving offence in five years. Missouri law denies a driver license for five years when this occurs. In addition, Missouri denies a driver license for 10 years to any person who has three or more impaired driving convictions in a lifetime. If a person is allowed to expunge these offenses these laws will not be enforceable. As such, the state may be ineligible to seek “Impaired Driving” federal grants.

Due to the passage of the IP making marijuana legal, the department is required to honor a court-ordered expungement of any marijuana-related driving offenses currently reflected on the driving record of qualifying individuals. This includes convictions for driving under the influence of drugs (DUID), driving while intoxicated (DWI), Minor in Possession and abuse and Lose suspensions and revocations and chemical related revocations. It excluded offenses committed by a CDL holder that are in violation of 49 CRR 390.5 or its successor provisions, from the expungement provisions.

DOR notes that one FTE can process approximately 50 court-ordered expungements per day. Which would be an increase in the number of expungements received by the department. The department had no current data or systematic way to determine how many of the over one million related actions are marijuana related and may require evaluation for expungement.

This IP (24-112), would require these ongoing expungements to be completed within 30 days of passage of this proposal. The department defers to the courts to determine if they can get any remaining expungements to them within that time frame.

It should be noted that the federal government has full discretion to withhold funding for non-compliance. At this time, DOR notes that additional withholdings for non-compliance with other DOT mode requirements could also happen. As an example, non-compliance with 49 CFR 350.309 regarding the MCSAP program, could result in the withholding of approximately \$10 million annually.

Officials from the **Department of Public Safety - Office of Director** indicated no impact for the Department of Public Safety, Director’s Office, however the Highway Patrol has an impact response.

Missouri State Highway Patrol - Impact and Concerns

3. Personal Cannabis Use. Subsection (h): “No one shall be denied employment solely based on their use of Cannabis.” The Patrol receives federal grants which are preconditioned on being a drug-free workplace. The Patrol must be able to maintain a drug free workplace to receive these federal funds. For example, the Patrol’s Crime Laboratory would lose over one million in federal funds each year if it cannot maintain a drug-free workplace. This is also an issue with the Medical Cannabis (5) subsection (b). Finally, under 3(i), the prohibitions against firearms sales are governed by the federal government and determined by the Federal Bureau of Investigation (FBI), and the National Instant Criminal Background Check System (NICS). Furthermore, the Patrol is not an eligibility provider for firearms sales, as this comes directly from NICS, or a Point of Contact (POC)

state, which Missouri is not. The Brady Act of 1993 established the federal firearm prohibitions.

5. Medical Cannabis. Subsection (b): “If an employee is a valid Cannabis patient ... the employee will be afforded sufficient time to medicate and a safe place to medicate.” This provision would make the Patrol ineligible for all federal grants, which requires the Patrol to maintain a drug-free workplace. Further, this section would create substantial liability in that any employee that also serves as a pilot or any Patrol member who must carry a firearm, operate a motor vehicle, or other machinery would be allowed to perform their official duties under the influence, which could result in substantial risk of harm to themselves and others. In addition, this would conflict with federal law as under the Controlled Substances Act cannabis/marijuana remains a Schedule I controlled substance.

7. Law Enforcement and the Courts. Subsection (b): “No Missouri law enforcement personnel or state funds shall be used to assist or aid in enforcement of Federal Cannabis laws . . .” endangers the Patrol’s relationship with other entities in that it regularly participates in multi-jurisdictional task forces which can involve federal enforcement actions related to cannabis. Due to the fluid nature of enforcement actions, it is always a possibility that cannabis trafficking might be involved in an enforcement action targeted at illegal activity as a result of a task force investigation, the only way for the Patrol to comply with this section is to withdraw from all task forces which involve federal partners. This withdrawal would significantly weaken relations that are necessary in the law enforcement community.

7. Law Enforcement and the Courts. Subsection (c): “Asset and/or Civil Forfeiture shall no longer be used in the state of Missouri in association with Cannabis, Cannabis cultivation, it’s use, possession . . .” would decrease funds to the Patrol that are received through sharing agreements with task force partnerships with other agencies, which always present the potential to involve enforcement actions where cannabis is part of the criminal conduct.

7. Law Enforcement and the Courts. Subsection (d): If passed and enacted, all persons incarcerated or under supervision of the Missouri Board of Probation or Parole for non-violent Cannabis offenses which are no longer illegal per this amendment shall be immediately released. It should be noted that “non-violent” is not defined. This will have an electronic and manual impact as it relates to criminal history reporting and the updating of dispositions within the Criminal History Record System maintained by the Central Repository. Not only will this affect the Patrol but will involve the Department of Corrections as well.

7. Law Enforcement and the Courts. Subsection (e): “Within 60 days . . . a legal document shall be developed and made available to the public ordering the immediate destruction of all Cannabis related non-violent civil and criminal records . . .” This subsection requires the immediate destruction of all cannabis related nonviolent civil and criminal records. Notably, the entity tasked with creation of the document is not named; however, the Patrol as the Central Repository for criminal records would need to process each record

destruction in order to effectuate the order. This will have significant manual research, processing, and administrative impact as it relates to expunging the offenses. There are estimated to be a minimum of 80,000 marijuana-related offense records in the Traffic Arrest System (TAS) alone. In addition, it should be noted that “non-violent” is not defined and destruction of such records would also remove access by law enforcement creating an officer safety concern.

The destruction in lieu of expunging and vacating records would dramatically increase the Patrol’s workload as the Patrol is the Central Repository for criminal records for the state of Missouri. Further, the state of Missouri shares its criminal records with other states, and it is improper according to federal rules and regulations to delete records unless state law permits record destruction. Here, the newly added language creates an inconsistency with the expungement process contained in Article XIV, section 2. While the expungement process in Article XIV, section 2 states that marijuana offenses are to be expunged and vacated, the newly added subsection orders document destruction, which could result in the FBI finding that the Patrol is not complying with its obligations related to the safeguarding and retention of criminal history information. Separately, the immediate destruction of all cannabis related records would create an unending task because records would need to be individually reviewed to determine if it is “cannabis related”, which is subjective question entailing legal analysis. Further, the Criminal Record Repository holds millions of records. Therefore, the Patrol would have to review all criminal history records, which would require information gathering and research into records not kept at the Patrol such as court records to then determine eligibility. The Patrol might then need to appeal orders which do not have a legal basis or perhaps to challenge if an offense involved violence.

1. Fiscal Impact for the Missouri State Highway Patrol

Patrol Records Division:

4 FTE - PRD Program Supervisor - Salary \$241,728 - Fringe \$217,483 - Total \$459,211

42 PTE - Salary \$685,020

Expense and Equipment: \$73,600

Leased Space: \$89,000

Division Total: **\$ 1,306,831**

Criminal Justice Information Services Division:

8 FTE - CJIS Technician III - Salary \$389,952 - Fringe \$350,840 - Total \$740,792

1 CJIS Program Supervisor - Salary \$60,432 - Fringe \$54,371 - Total \$114,803

Expense and Equipment: \$14,400

Division Total: **\$869,995**

Professional Standards Division:

3 FTE - Internal Affairs Investigators - Salary \$323,784 - Fringe \$293,413 - Total \$617,197

Expense and Equipment: \$250,655 (Ongoing: \$65,478)

Division Total: **\$867,852**

Legal Counsel:

2 FTE - Attorney - Salary \$215,856 - Fringe \$194,206 - Total \$410,062

1 FTE - Paralegal - Salary \$87,168 - Fringe \$78,425 - Total \$165,593

Expense and Equipment: \$4,800

Component Total - **\$580,455**

Federal Spending Authority Elimination (Federal to State Fund Switch):

Personal Services (PS): \$13,703,647 (Includes 26 FTE)

Expense and Equipment (EE): \$14,581,482

Total: **\$28,285,129**

Drug Forfeiture Fund Elimination:

Total: **\$416,499**

Total cost for the Missouri State Highway Patrol, to include additional FTE and the switch from Federal to State funds: \$31,910,262. This is an annual amount. This amount would be required yearly as a replacement of the federal funds currently received to fund the Patrol's activities. The Highway Patrol would request the new funding during the budget process. The Legislature would decide if the request would be funded with new funds, existing funds, or not funded at all.

3. Final Concerns and Statistics

In addition to the fiscal impact, the following are some additional concerns, and statistics from other states the Patrol has compiled for information related to this petition:

In 2009, Colorado traffic fatalities involving drivers testing positive for marijuana represented 9% of the total traffic fatalities. Recreational marijuana use was legalized in 2012. By 2019, that number more than doubled to 21%.

Since recreational marijuana was legalized in 2013, Colorado traffic deaths in which drivers tested positive for marijuana increased 135% while all Colorado traffic deaths increased 24%.

Marijuana-related deaths when a driver tested positive for marijuana more than doubled from 55 deaths in 2013 to 129 deaths in 2019.

The yearly number of marijuana related hospitalizations increased 101% after the legalization of marijuana, (2009-2017).

Colorado's youth marijuana use for 2020 was 43% higher than the national average.

The average THC levels in marijuana has increased significantly over the years: 1969-0.8%, 1995-4%, 2013-13%, 2017-20+%, Oil, 1995-13%, 2013-52%, highest plant 38%, highest oil 95%+.

Medical marijuana has been legal in the state of Colorado since 2000. On November 12, 2012, the state of Colorado passed Amendment 64, which legalized private use of marijuana. Per the Colorado State Patrol's driving under the influence statistics, marijuana DUI citations increased 25.5% from 2014 to 2018 and marijuana and alcohol citations increased 112% in the same time range. As marijuana becomes legalized, its use increases.

The three years after Colorado legalized marijuana for recreational use (2013-2015), its use increased in youth ages 12-17, by 12%, in young adults aged 18-25 by 16%, and adults 26 and older by 71%. By removing the recommended acceptable ages of use, zoning regulations, packaging, and advertising of cannabis/marijuana, the risk of use and abuse of marijuana by the youth of Missouri is substantially increased. This category of Missourians, who recent studies have shown significant long-term cognitive impairment when marijuana is ingested during the developmental years, would be affected.

In a 2013-2014 National Highway Traffic Safety Administration (NHTSA) roadside survey, 20% of the nighttime and weekend drivers tested positive for drugs. Interestingly, the number of daytime drugged drivers was approximately the same amount as night and weekend drugged drivers. A roadside study in Colorado and Washington, the first two states to legalize marijuana for recreational use, showed the primary increase of marijuana users happened to their daytime drivers. The percent of drivers that tested positive for marijuana during the day went from 8%, before recreational marijuana sales, to 23%, 6-12 months after marijuana was legalized. There was a 48% increase in weekend nighttime drivers testing positive for THC or 11-OH-THC (an active metabolite of THC) from 2007 to 2014.

Montana legalized medical marijuana in 2004 and from 2007-2010, the presence of marijuana in DUI suspects increased over 100%. Also, the number of DUI suspects who tested positive for alcohol and marijuana increased by over 180%.

This initiative petition will remove cannabis/marijuana from Missouri Revised Statutes and creates conflict with both Federal and State laws, such as the use or possession of a firearm, and would conflict and violate federal law.

The petition process is not defined, and the proposal does not identify the agencies that are to expunge the records. Plus, it does not identify if expunge means to destroy or close the record.

The authority to submit fingerprints to the FBI for a federal fingerprint based criminal record check is not authorized through the Initiative Petition process. Federal fingerprint based criminal record checks authorized under Public Law 92-544 can only be approved under a state statute that has gone through the full legislative process.

As the Patrol has officers assigned to federal task forces that may be involved in a federal drug operation, there are concerns over potential civil litigation resulting from these types of operations, as marijuana is still classified as a Schedule I controlled substance, and illegal under federal law.

The Patrol operates in accordance with the Drug-Free Workplace Act of 1988, which requires a drug testing program. This program tests potential employees as well as random testing for incumbent employees in enforcement, and drug sensitive areas.

If passed, this petition will conflict with Federal and State laws, such as the use or possession of a firearm. Cannabis/marijuana causes impairment and is not a suitable drug to be used in various safety sensitive positions in the workforce, therefore strong language protecting employers is suggested. The workforce which could be affected would include any position where safety is a must, such as operating a motor vehicle, operating heavy machinery, and all aspects of public safety.

There is no language as to where the cannabis/marijuana may remain, such as any cannabis/marijuana purchased or grown in Missouri must remain in Missouri. While this is a federal offense, a lack of this type of language may allow Missouri cannabis/marijuana facilities to distribute cannabis/marijuana outside of the state or allow other states to distribute their cannabis/marijuana in Missouri. A lack of such language could lead to Missouri being a distribution state for states where cannabis/marijuana remains illegal.

For further consideration, as the legalization or decriminalization of cannabis/marijuana has increased in the past several years, so have the crashes and deaths on highways. Blood screenings on drivers in serious injury and fatal crashes have shown a staggering increase in drivers who have cannabis/marijuana within their system at the time of the crash.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated no fiscal impact to their department as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to cannabis does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-112 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated:

This fiscal impact of Initiative Petition 24-112 is the same as 24-111. Please see below:

Possible variances exist between the proposed initiative petition language and Federal Motor Carrier Safety Regulations (FMCSR). If a variance between Missouri State law and the FMCSRs were to exist, Federal Motor Carrier Safety Administration Program funds would be placed at risk.

As long as marijuana/cannabis appears on the Federal Schedule I list of controlled substances, Missouri must adhere to Title 49 CFR Parts 391 and 392.

Title 49 CFR Part 391.15 addresses disqualification of drivers (CDL and non-CDL CMV drivers). A driver who is convicted of a disqualifying offense is disqualified for one year from the date of conviction for first offenders and 3 years after the date of conviction if during the previous 3 years preceding the conviction date the driver was convicted of a disqualifying offense.

A CMV driver convicted of possession of marijuana while on duty is a disqualified driver. There is no minimum amount to be disqualified. Possession of any amount of any controlled substance is disqualifying. This is true whether it is legal for recreational use at the State level or legally prescribed medication.

Finally, 49 CFR 392.4 prohibits drivers from possessing and/or being under the influence of a Schedule 1 Substance, this does not exempt medical marijuana or recreational marijuana possessed legally in a state. Erasing prior marijuana possession misdemeanor convictions from CMV drivers could allow disqualified drivers to drive.

Missouri's share of Federal MCSAP Funding for FY 2024 is \$10,468,288 million.

When variances with 391 and 392 exist, MCSAP funding can be withheld as follows:

5 percent - \$523,414 – during the fiscal year that FMCSA notifies the State of non-compliance;

10 percent - \$1,046,828 – during the first full fiscal year of non-compliance;

25 percent - \$2,617,072 – during the second full fiscal year of non-compliance; and

Not more than 50 percent, or \$5,234,144 for the third and any subsequent full fiscal year of noncompliance.

MoDOT's initial fiscal impact response is based on the compliance concerns with MCSAP funding as referenced in DOR's final paragraph, of which Missouri's share is \$10,468,288 million in FY 2024. These MCSAP funds are different from potential withholding of federal-aid highway funds referenced in the first part of DOR's response. The separate amount for MoDOT's federal aid apportionment is explained below.

The risk of a potential variance subject to CFR 49 Part 384 may jeopardize MoDOT's federal aid apportionment. Given the ambiguity related to the enforcement provisions of this IP, however, it is impractical to suggest how this language may be applied to commercial driver's license standards. If a variance is confirmed that puts the Department of Revenue substantially out of compliance with the federal regulation, it is estimated that a first year penalty reduction of \$42.5 million would be assessed. A penalty of \$85 million would follow for year two and any subsequent years for continued non-compliance.

Officials from the **Office of Administration** indicated this proposal relating to cannabis does not financially impact their department.

Officials from the **Office of State Courts Administrator** indicated the initiative petition proposing to amend Article XIV, henceforth to be called Missouri Cannabis Restoration, explicitly repeals, in part and/or in whole, Article XIV (14), Section 1 and Section 2.

The fiscal impact would be between \$4,908,484 and \$12,608,484 million to an unknown amount based on the definition of a "record". Any significant changes will be reflected in future budget requests.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions

certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-112 could have a fiscal impact on State Public Defender (SPD). SPD has received a distribution in the fiscal year (FY) 24 budget for 1.2 million from recreational marijuana tax for the provision of legal services to indigent persons. If medical marijuana is not taxed then the amount of funds collected, and distributed to SPD via Amendment 3, from the recreational marijuana tax could decrease. The amount of this decrease is unknown.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated that in reviewing initiative petition 24-112 it has been determined there will be an increased cost to their county due to the additional hours required to expunge the cases that are not currently included in the marijuana cases presently being expunged as a result of the passage of Amendment 3 in 2022 if voters vote to again amend Article XIV.

The Office of the Circuit Clerk for their county responded that it will, *“take an additional **34,200 hours** at a cost of **\$860,000** to expunge the additional cases,”* included in this petition based on current 2023 costs. The assessment included *“only hours/dollars spent in the Circuit Clerk's budget.”*

This is due to the following reasons:

*“The Missouri Constitutional Article XIV. does not allow expungement of cases involving 1. driving under the influence 2. distribution to a minor 3. for people who were under the age of 21 when charged. We would have to review all cases to find these additional potentially qualifying cases. That would require manually reviewing about **190,000 cases back to 1971**. We took a small sample that suggested about 7,600 of these would require expungement.”*

Officials from **St. Louis County** indicated that if "9. Existing and conflicting Local, State and Federal Law" on page 6 removes the 3% sales tax on all tangible personal property retail sales of adult use marijuana sold in their county, the fiscal impact is estimated to be at least \$3 million. The fiscal impact on the operations of the Department of Public Health is unknown.

Officials from the **City of Kansas City** indicated the initiative petition could have a negative fiscal impact on their city as a result of lost tax revenue.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated they have reviewed the proposed initiative and determined that the wording does not result in any cost savings or revenue implications. They did not address any indirect consequences of the proposed initiative.

Officials from **University of Central Missouri** indicated they have reviewed the proposed legislation and have determined that as written it should not create expenses in excess of \$100,000.

Officials from the **Missouri Veterans Commission** indicated the following:



MISSOURI VETERANS COMMISSION

205 Jefferson Street, P.O. Drawer 147, Jefferson City, MO 65102-0147
Telephone: (573) 751-3779 www.mvc.dps.mo.gov Fax: (573) 751-6836

May 22, 2023

The Honorable John R. Ashcroft
Secretary of State
600 W. Main Street
Jefferson City, MO 65101

Dear Secretary of State Ashcroft,

Initiative Petition 2024-112 (hereinafter, the Petition) would have a significant fiscal impact to the Missouri Veterans Commission (MVC). Under the existing medical marijuana program (Article XIV, para. 4 of the Missouri Constitution), we anticipate receiving approximately \$13,000,000 in annual transfer appropriations from the tax revenues generated from the retail sales of medical marijuana. The Petition would eliminate that tax. Further, under the existing non-medical (adult use) marijuana program, MVC anticipates receiving approximately \$1,278,973 in annual transfer appropriations from the tax revenues generated from the retail sales from the adult use program. The Petition would seemingly leave that tax in place, but clearly MVC would suffer a drastic reduction nonetheless.

Furthermore, in paragraphs 8 and 9, the petition essentially requires the state to lift all legal detriments, whether state or federal, upon those who use marijuana products. Annually, MVC receives between \$59 million and \$75 million in per diem payments through the VA State Veterans Homes Per Diem Grant Program. If MVC does not comply with federal regulations, which currently require us to maintain a drug-free workplace, MVC would lose all of its federal funding and may lose its Recognition and Certification as a VA State Skilled Care Home. Moreover, the loss of recognition and certification as a VA State Skilled Care Home would invoke 38 CFR §59.110, the "recapture provisions" of the VA State Veterans Homes Per Diem Grant Program. Under this regulation, the VA may recover federal construction grant funds issued to the state if the facility does not maintain services previously specified in the construction MOU between VA and MVC for a period of 20 years. This would affect most of MVC's facilities. Based on average revenue received from the federal government for construction projects, and accounting for the previous 20 years, we anticipate a potential "recapture of \$260 million.

In closing, Initiative Petition 2022-112 will adversely affect the ability of the Missouri Veterans Commission to serve the veterans of Missouri for the reasons set forth above. If I can be of any further assistance on this issue, please contact me at (573) 522-4224 at your convenience.

Sincerely,

A handwritten signature in cursive script, appearing to read "Scotty L. Allen".

Scotty L. Allen
General Counsel
Missouri Veterans Commission

In response to a question, commission officials indicated legally, it is very clear that the state could lose this funding. Whether or not the VA actually exercised its right to recoup its funding, they indicated would depend upon the administration in power at the time.

Officials from the **Kansas City Board of Police Commissioners** indicated the Board of Police Commissioners (BOPC), Kansas City Police Department (KCPD) has no estimated cost or savings that is affected by this petition initiative.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, Truman State University, Missouri Office of Prosecution Services, and the Metropolitan Police Department - City of St. Louis.**

Fiscal Note Summary

State governmental entities estimate one-time costs of \$260 million and annual lost revenue of at least \$277.3 million. Businesses could annually pay an additional \$1 billion in federal unemployment taxes causing an unknown negative impact on the state's economy. Local governments are estimated to have annual lost revenue of at least \$40.9 million.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

April 28, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

APR 28 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Mark Pedersen regarding a proposed constitutional amendment to Article XIV (2024-111)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Mark Pedersen on April 28, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

2023 APR 28 AM 8:39
RECEIVED
[Signature]

CIRCULATOR'S AFFIDAVIT STATE OF MISSOURI, COUNTY OF _____ I, _____, being first duly sworn, say (print or type names of signers)

NAME (Signature)	Date Signed	REGISTERED VOTING ADDRESS (Street, No PO Boxes) (city, Town or Village	Zip Code	Cong. District	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age, I do ____ do not ____ (check one) expect to be paid for circulating this petition. If paid, list the_payer _____

Signature of Affiant (Person obtaining signatures) Street Address of Affiant Subscribed and sworn to before me, this ____ day of _____, A.D. _____

Printed Name of Affiant City, State and Zip Code of Affiant Signature of Notary Address of Notary Notary Expiration Date Notary (Seal)

Be it resolved by the people of the state of Missouri that the Constitution be amended:

This measure amends the Missouri Constitution by amending Article XIV (14), henceforth to be called Missouri Cannabis Restoration. This amendment explicitly repeals, in part and/or in whole, Amending Article XIV (14), Section 1 and Section 2, by deleting all matters within the enclosed brackets and adding all that is underlined as required pursuant to Section 116.050 RSMo.

[XIV Section 1. Right to access medical marijuana. — 1. Purposes.]

XIV Section 1. Missouri Cannabis Restoration.

1. Clarification as a substance.

[This section is intended to permit state-licensed physicians and nurse practitioners to recommend marijuana for medical purposes to patients with serious illnesses and medical conditions. The section allows patients with qualifying medical conditions the right to discuss freely with their physicians and nurse practitioners the possible benefits of medical marijuana use, the right of their physicians and nurse practitioners to provide professional advice concerning the same, and the right to use medical marijuana for treatment under the supervision of a physician or nurse practitioner.

This section is intended to make only those changes to Missouri laws that are necessary to protect patients, their primary caregivers, and their physicians and nurse practitioners from civil and criminal penalties, and to allow for the limited legal production, distribution, sale and purchase of marijuana for medical use. This section is not intended to change current civil and criminal laws governing the use of marijuana for nonmedical purposes. The section does not allow for the public use of marijuana and driving under the influence of marijuana.]

Cannabis shall immediately be removed from the Missouri Revised Statutes list of controlled substances and shall no longer be listed among Missouri's drug schedules. Cannabis shall hence forth be considered a food and not a controlled substance or a drug, by Missouri law, by the passage of this initiative.

[2. Definitions.] 2. Definitions.

(1) "Administer" means the direct application of marijuana to a qualifying patient by way of any of the following methods:

- (a) Ingestion of capsules, teas, oils, and other marijuana-infused products;
- (b) Vaporization or smoking of dried flowers, buds, plant material, extracts, oils, and other marijuana-infused products;
- (c) Application of ointments or balms;
- (d) Transdermal patches and suppositories;
- (e) Consuming marijuana-infused food products; or
- (f) Any other method recommended by a qualifying patient's physician or nurse practitioner.

(2) "Church" means a permanent building primarily and regularly used as a place of religious worship.

(3) "Daycare" means a child-care facility, as defined by section 210.201, RSMo, or successor provisions, that is licensed by the state of Missouri.

(4) "Department" means the department of health and senior services, or its successor agency.

(5) "Entity" means a natural person, corporation, professional corporation, nonprofit corporation, cooperative corporation, unincorporated association, business trust, limited liability company, general or limited partnership, limited liability partnership, joint venture, or any other legal entity.

(6) "Flowering plant" means a marijuana plant from the time it exhibits the first signs of sexual maturity through harvest.

(7) "Infused preroll" means a consumable or smokable marijuana product, generally consisting of: (1) a wrap or paper, (2) dried flower, buds, and/or plant material, and (3) a concentrate, oil or other type of marijuana extract, either within or on the surface of the product. Infused prerolls may or may not include a filter or crutch at the base of the product.

(8) "Marijuana" or "marihuana" means Cannabis indica, Cannabis sativa, and Cannabis ruderalis, hybrids of such species, and any other strains commonly understood within the scientific community to constitute marijuana, as well as resin extracted from the marijuana plant and marijuana-infused products. "Marijuana" or "marihuana" do not include industrial hemp, as defined by Missouri statute, or commodities or products manufactured from industrial hemp.

(9) "Marijuana-infused products" means products that are infused, dipped, coated, sprayed, or mixed with marijuana or an extract thereof, including, but not limited to, products that are able to be vaporized or smoked, edible products, ingestible products, topical products, suppositories, and infused prerolls.

(10) "Medical facility" means any medical marijuana cultivation facility, medical marijuana dispensary facility, or medical marijuana-infused products manufacturing facility, as defined in this section.

(11) "Medical marijuana cultivation facility" means a facility licensed by the department to acquire, cultivate, process, package, store on site or off site, transport to or from, and sell marijuana, marijuana seeds, and marijuana vegetative cuttings (also known as clones) to a medical marijuana dispensary facility, medical marijuana testing facility, medical marijuana cultivation facility, or to a medical marijuana-infused products manufacturing facility. A medical marijuana cultivation facility's authority to process marijuana shall include the production and sale of prerolls, but shall not include the manufacture of marijuana-infused products.

(12) "Medical marijuana dispensary facility" means a facility licensed by the department to acquire, process, package, store on site or off site, sell, transport to or from, and deliver marijuana, marijuana seeds, marijuana vegetative cuttings (also known as clones), marijuana-infused products, and drug paraphernalia used to administer marijuana as provided for in this section to a qualifying patient, a primary caregiver, anywhere on the licensed property or to any address as directed by the patient or primary caregiver, so long as the address is a location allowing for the legal possession of marijuana, another medical marijuana dispensary facility, a marijuana testing facility, a medical marijuana cultivation facility, or a medical marijuana-infused products manufacturing facility. Dispensary facilities may receive transaction orders at the dispensary in person, by phone, or via the internet, including from a third party. A medical marijuana dispensary facility's authority to process marijuana shall include the production and sale of prerolls, but shall not include the manufacture of marijuana-infused products.

(13) "Medical marijuana-infused products manufacturing facility" means a facility licensed by the department to acquire, process, package, store on site or off site, manufacture, transport to or from, and sell marijuana-infused products to a medical marijuana dispensary facility, a marijuana testing facility, a medical marijuana cultivation facility, or to another medical marijuana-infused products manufacturing facility.

(14) "Marijuana testing facility" means a facility certified by the department to acquire, test, certify, and transport marijuana, including those originally licensed as a medical marijuana testing facility.

(15) "Medical use" means the production, possession, delivery, distribution, transportation, or administration of marijuana or a marijuana-infused product, or drug paraphernalia used to administer marijuana or a marijuana-infused product, for the benefit of a qualifying patient to mitigate the symptoms or effects of the patient's qualifying medical condition.

(16) "Nurse practitioner" means an individual who is licensed and in good standing as an advanced practice registered nurse, or successor designation, under Missouri law.

(17) "Owner" means an individual who has a financial (other than security interest, lien, or encumbrance) or voting interest in ten percent or greater of a marijuana facility.

(18) "Physician" means an individual who is licensed and in good standing to practice medicine or osteopathy under Missouri law.

(19) "Physician or nurse practitioner certification" means a document, whether handwritten, electronic or in another commonly used format, signed by a physician or a nurse practitioner and stating that, in the physician's or nurse practitioner's professional opinion, the patient suffers from a qualifying medical condition.

(20) "Preroll" means a consumable or smokable marijuana product, generally consisting of: (1) a wrap or paper and (2) dried flower, buds, and/or plant material. Prerolls may or may not include a filter or crutch at the base of the product.

(21) "Primary caregiver" means an individual twenty-one years of age or older who has significant responsibility for managing the well-being of a qualifying patient and who is designated as such on the primary caregiver's application for an identification card under this section or in other written notification to the department.

(22) "Qualifying medical condition" means the condition of, symptoms related to, or side-effects from the treatment of:

- (a) Cancer;
- (b) Epilepsy;
- (c) Glaucoma;
- (d) Intractable migraines unresponsive to other treatment;
- (e) A chronic medical condition that causes severe, persistent pain or persistent muscle spasms, including but not limited to those associated with multiple sclerosis, seizures, Parkinson's disease, and Tourette's syndrome;
- (f) Debilitating psychiatric disorders, including, but not limited to, posttraumatic stress disorder, if diagnosed by a state licensed psychiatrist;
- (g) Human immunodeficiency virus or acquired immune deficiency syndrome;
- (h) A chronic medical condition that is normally treated with a prescription medication that could lead to physical or psychological dependence, when a physician or nurse practitioner determines that medical use of marijuana could be effective in treating that condition and would serve as a safer alternative to the prescription medication;
- (i) Any terminal illness; or
- (j) In the professional judgment of a physician or nurse practitioner, any other chronic, debilitating or other medical condition, including, but not limited to, hepatitis C, amyotrophic lateral sclerosis, inflammatory bowel disease, Crohn's disease, Huntington's disease, autism, neuropathies, sickle cell anemia, agitation of Alzheimer's disease, cachexia, and wasting syndrome.

(23) "Qualifying patient" means an individual diagnosed with at least one qualifying medical condition.

(24) "Unduly burdensome" (when referring to a facility licensee or certificate holder) means the measures necessary to comply with the rules or ordinances adopted pursuant to this section subject the party to such a high investment or expense of money, time, or any other resource or asset that a reasonably prudent businessperson would not operate the facility; and (when referring to qualifying

patients, primary caregivers, physicians, nurse practitioners, or other party) "unduly burdensome" means the measures necessary to comply with the rules or ordinances adopted pursuant to this section undermine the purpose of this section.]

- (a) "Controlled Substance List", or "CSL" refers to Missouri's list of controlled substances as it pertains to Missouri Statutes.
- (b) "Cannabis" and "Cannabis hemp" refer to Cannabis, marihuana, marijuana, Cannabis sativa, Cannabis sativa L., Cannabis Americana, Cannabis Gigantea, Cannabis indica, Cannabis ruderalis, or any variety of Cannabis including any derivative, concentrate, extract, flower, leaf, particle, preparation, resin, root, salt, seed, stalk, stem, or any product thereof.
- (c) "Medical Cannabis" refers to Cannabis used to prevent or to treat a medical condition.
- (d) "Personal use" refers to the personal use or private, non-commercial use and/or consumption of Cannabis.
- (e) "Cannabis accessories" means any equipment, products, or materials of any kind that are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, or containing of Cannabis, and/or ingesting, inhaling, vaporizing, smoking or otherwise introducing of Cannabis into and/or onto the human body.
- (f) "Establishment" refers to a cultivation facility, a testing facility, a product manufacturing facility, or a retail store, or other entity that cultivates, prepares, manufactures, packages, transports or sells Cannabis food products and/or accessories.
- (g) Cannabis COOPS refer to private and/or public groups of family, friends or neighbors who work together to grow medicinal and/or personal use Cannabis, and the production of Cannabis components and/or accessories.
- (h.) An Excise tax is a "sin tax"; a tax imposed on a commodity for which the community, county, state or Federal Government wishes to discourage it's use.

13. Creating Patient Access to Medical Marijuana.] **3. Personal Cannabis Use.**

[(1) In carrying out the implementation of this section, the department shall have the authority to:

- (a) Grant or refuse state licenses and certifications for the cultivation, manufacture, dispensing, sale, testing, tracking, and transportation of marijuana and marijuana-infused products for medical use, as provided by this section and general law; suspend, impose an authorized fine, restrict, or revoke such licenses and certifications upon a violation of this section, general law, or a rule promulgated pursuant to this section; and impose any administrative penalty authorized by this section or any general law enacted or rule promulgated pursuant to this section, so long as any procedure related to a suspension or revocation includes a reasonable cure period, not less than thirty days, prior to the suspension or revocation, except in instances where there is a credible and imminent threat to public health or public safety.
- (b) Promulgate rules and emergency rules necessary for the proper regulation and control of the cultivation, manufacture, dispensing, and sale of marijuana for medical use and for the enforcement of this section so long as patient access is not restricted unreasonably and such rules are reasonably necessary for patient safety or to restrict access to only licensees and qualifying patients.
- (c) Develop such forms, certificates, licenses, identification cards, and applications as are necessary for, or reasonably related to, the administration of this section or any of the rules promulgated under this section.
- (d) Require a seed-to-sale tracking system that tracks medical marijuana from either the seed or immature plant stage until the medical marijuana or medical marijuana-infused product is sold to a qualifying patient or primary caregiver to ensure that no medical marijuana grown by a medical marijuana cultivation facility or manufactured by a medical marijuana-infused products manufacturing facility is sold or otherwise transferred except by a medical marijuana dispensary facility. The department shall certify, if possible, at least two commercially available systems to licensees as compliant with its tracking standards and issue standards for the creation or use of other systems by licensees.
- (e) Issue standards for the secure transportation of marijuana and marijuana-infused products. The department shall certify entities which demonstrate compliance with its transportation standards to transport marijuana and marijuana infused products to or from a medical marijuana cultivation facility, a medical marijuana-infused products manufacturing facility, a medical marijuana dispensary facility, a marijuana testing facility, or another entity with a transportation certification. The department shall develop or adopt from any other governmental agency such safety and security standards as are reasonably necessary for the transportation of marijuana and marijuana-infused products. Any entity licensed or certified pursuant to this section shall be allowed to transport and store marijuana, marijuana seeds, marijuana vegetative cuttings (also known as clones) and marijuana-infused products for purposes related to transportation in compliance with department regulations on storage of marijuana and marijuana-infused products.
- (f) The department may charge a fee not to exceed \$5,000 for any certification issued pursuant to this section.
- (g) Prepare and transmit annually a publicly available report accounting to the governor for the efficient discharge of all responsibilities assigned to the department under this section.
- (h) Establish a lottery selection process to select medical marijuana licensee and certificate applicants, only in cases where more applicants apply than the minimum number of licenses or certificates as calculated by this section. To be eligible for the medical marijuana license lottery process, an applicant cannot have an owner who has pleaded or been found guilty of a disqualifying felony. A "disqualifying felony offense" is a violation of, and conviction or guilty plea to, state or federal law that is, or would have been, a felony under Missouri law, regardless of the sentence imposed, unless the department determines that:
 - a. The person's conviction was for a marijuana offense, other than provision of marijuana to a minor; or
 - b. The person's conviction was for a non-violent crime for which he or she was not incarcerated and that is more than five years old; or
 - c. More than five years have passed since the person was released from parole or probation, and he or she has not been convicted of any subsequent felony criminal offenses.

The department may consult with and rely on the records, advice, and recommendations of the attorney general and the department of public safety, or their successor entities, in carrying out the provisions of this subdivision.

In establishing a lottery selection process to select medical marijuana licensee and certificate applicants and awarding licenses and certificates, the department may consult or contract with other public agencies with relevant expertise. The department shall lift or ease any limit on the number of licensees or certificate holders in order to meet the demand for marijuana for medical use by qualifying patients.

(2) The department shall issue any rules or emergency rules necessary for the implementation and enforcement of this section and to ensure the right to, availability, and safe use of marijuana for medical use by qualifying patients. In developing such rules or emergency rules, the department may consult with other public agencies. In addition to any other rules or emergency rules necessary to carry out the mandates of this section, the department may issue rules or emergency rules relating to the following subjects:

- (a) Compliance with, enforcement of, or violation of any provision of this section or any rule issued pursuant to this section, including procedures and grounds for denying, suspending, imposing an authorized fine, and restricting, or revoking a state license or certification issued pursuant to this section, so long as any procedure related to a suspension or revocation includes a reasonable cure period, not less than thirty days, prior to the suspension or revocation, except in instances where there is a credible and imminent threat to public health or public safety;
- (b) Specifications of duties of officers and employees of the department;
- (c) Instructions or guidance for local authorities and law enforcement officers;
- (d) Requirements for inspections, investigations, searches, seizures, and such additional enforcement activities as may become necessary from time to time;
- (e) As otherwise authorized by this section or general law, administrative penalties and policies for use by the department;
- (f) Prohibition of misrepresentation and unfair practices;
- (g) Control of informational and product displays on licensed premises provided that the rules may not prevent or unreasonably restrict appropriate signs on the property of the medical marijuana dispensary facility, product display and examination by the qualifying patient and/or primary caregiver, listings in business directories including phone books, listings in marijuana-related or medical publications, or the sponsorship of health or not for profit charity or advocacy events. While the department shall have the general power to regulate the advertising and promotion of marijuana sales, under all circumstances, any such regulation shall be no more stringent than comparable state regulations on the advertising and promotion of alcohol sales;
- (h) Development of individual identification cards for owners, officers, managers, contractors, employees, and other support staff of entities licensed or certified pursuant to this section, including a fingerprint-based federal and state criminal record check in accordance with U.S. Public Law 92-544, or its successor provisions, as may be required by the department prior to issuing a card and procedures to ensure that cards for new applicants are issued within fourteen days. Applicants licensed pursuant to this section shall submit fingerprints to the Missouri state highway patrol for the purpose of conducting a state and federal fingerprint-based criminal background check. The Missouri state highway patrol, if necessary, shall forward the fingerprints to the Federal Bureau of Investigation (FBI) for the purpose of conducting a fingerprint-based criminal background check. Fingerprints shall be submitted pursuant to section ~~43.543~~, RSMo, or its successor provisions, and fees shall be paid pursuant to section ~~43.530~~, RSMo, or its successor provisions. Unless otherwise required by law, no individual shall be required to submit fingerprints more than once;
- (i) Security requirements for any premises licensed or certified pursuant to this section, including, at a minimum, lighting, physical security, video, alarm requirements, and other minimum procedures for internal control as deemed necessary by the department to properly administer and enforce the provisions of this section, including reporting requirements for changes, alterations, or modifications to the premises;
- (j) Regulation of the storage of, warehouses for, and transportation of marijuana for medical use;
- (k) Sanitary requirements for, including, but not limited to, the preparation of medical marijuana-infused products;
- (l) The specification of acceptable forms of picture identification that a medical marijuana dispensary facility may accept when verifying a sale;
- (m) Labeling and packaging standards;
- (n) Records to be kept by licensees and the required availability of the records;

- (o) State licensing procedures, including procedures for renewals, reinstatements, initial licenses, and the payment of licensing fees;
 - (p) The reporting and transmittal of tax payments;
 - (q) Authorization for the department of revenue to have access to licensing information to ensure tax payment and the effective administration of this section; and
 - (r) Such other matters as are necessary for the fair, impartial, stringent, and comprehensive administration of this section.
- (3) The department shall issue rules or emergency rules for a medical marijuana and medical marijuana-infused products independent testing and certification program for medical marijuana licensees and requiring licensees to test medical marijuana using one or more impartial, independent laboratories to ensure, at a minimum, that products sold for human consumption do not contain contaminants that are injurious to health, to ensure correct labeling and measure potency. The department shall not require any medical marijuana or medical marijuana-infused products to be tested more than once prior to sale.
- (4) The department shall issue rules or emergency rules to provide for the certification of and standards for marijuana testing facilities, including the requirements for equipment and qualifications for personnel, but shall not require certificate holders to have any federal agency licensing or have any relationship with a federally licensed testing facility. The department shall certify, if possible, at least two entities as marijuana testing facilities. No marijuana testing facility shall be owned by an entity or entities under substantially common control, ownership, or management as a medical marijuana cultivation facility, medical marijuana-infused product manufacturing facility, or medical marijuana dispensary facility.
- (5) Any information released by the department related to patients may only be for a purpose authorized by federal law and this section, including verifying that a person who presented a patient identification card to a state or local law enforcement official is lawfully in possession of such card. Beginning December 8, 2022, all public records produced or retained pursuant to this section are subject to the general provisions of the Missouri Sunshine Law, [chapter 610, RSMo](#), or its successor provisions. Notwithstanding the foregoing, records containing proprietary business information obtained from an applicant or licensee shall be closed. For documents submitted on or after December 8, 2022, the applicant or licensee shall label business information it believes to be proprietary prior to submitting it to the department. For documents submitted prior to December 8, 2022, the applicant or licensee may advise the department, through a department approved process, of any records previously submitted by the applicant or licensee it believes contain proprietary business information. Proprietary business information shall include sales information, financial records, tax returns, credit reports, license applications, cultivation information unrelated to product safety, testing results unrelated to product safety, site security information and plans, and individualized consumer information. The presence of proprietary business information shall not justify the closure of public records:
- (a) Identifying the applicant or licensee;
 - (b) Relating to any citation, notice of violation, tax delinquency, or other enforcement action;
 - (c) Relating to any public official's support or opposition relative to any applicant, licensee, or their proposed or actual operations;
 - (d) Where disclosure is reasonably necessary for the protection of public health or safety; or
 - (e) That are otherwise subject to public inspection under other applicable law.
- (6) Within one hundred eighty days of December 6, 2018, the department shall make available to the public license application forms and application instructions for medical marijuana cultivation facilities, marijuana testing facilities, medical marijuana dispensary facilities, and medical marijuana-infused products manufacturing facilities.
- (7) Within one hundred eighty days of December 6, 2018, the department shall make available to the public application forms and application instructions for qualifying patient, qualifying patient cultivation, and primary caregiver identification cards. Within two hundred ten days of December 6, 2018, the department shall begin accepting applications for such identification cards.
- (8) An entity may apply to the department for and obtain one or more licenses to grow marijuana as a medical marijuana cultivation facility. Each facility in operation shall require a separate license, but multiple licenses may be utilized in a single facility. Each indoor facility utilizing artificial lighting may be limited by the department to thirty thousand square feet of flowering plant canopy space. Each outdoor facility utilizing natural lighting may be limited by the department to two thousand eight hundred flowering plants. Each greenhouse facility using a combination of natural and artificial lighting may be limited by the department, at the election of the licensee, to two thousand eight hundred flowering plants or thirty thousand square feet of flowering plant canopy. The license shall be valid for three years from its date of issuance and shall be renewable, except for good cause. The department shall charge each applicant a nonrefundable fee of ten thousand dollars per license application or renewal for all applicants filing an application within three years of December 6, 2018, and shall charge each applicant a nonrefundable fee of five thousand dollars per license application or renewal thereafter. Once granted, the department shall charge each licensee an annual fee of twenty-five thousand dollars per facility license. Application and license fees shall be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency. An entity or entities under substantially common control, ownership, or management may not be an owner of more than ten percent of the total marijuana cultivation facility licenses outstanding under both sections 1 and 2 of this Article at any given time, rounded down to the nearest whole number.
- (9) An entity may apply to the department for and obtain one or more licenses to operate a medical marijuana dispensary facility. Each facility in operation shall require a separate license. A license shall be valid for three years from its date of issuance and shall be renewable, except for good cause. The department shall charge each applicant a nonrefundable fee of six thousand dollars per license application or renewal for each applicant filing an application within three years of December 6, 2018, and shall charge each applicant a nonrefundable fee of three thousand dollars per license application or renewal thereafter. Once granted, the department shall charge each licensee an annual fee of ten thousand dollars per facility license. Application and license fees shall be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency. An entity or entities under substantially common control, ownership, or management may not be an owner of more than ten percent of the total marijuana dispensary facility licenses outstanding under both sections 1 and 2 of this Article at any given time, rounded down to the nearest whole number.
- (10) An entity may apply to the department for and obtain one or more licenses to operate a medical marijuana-infused products manufacturing facility. Each facility in operation shall require a separate license. A license shall be valid for three years from its date of issuance and shall be renewable, except for good cause. The department shall charge each applicant a nonrefundable fee of six thousand dollars per license application or renewal for each applicant filing an application within three years of December 6, 2018, and shall charge each applicant a nonrefundable fee of three thousand dollars per license application or renewal thereafter. Once granted, the department shall charge each licensee an annual fee of ten thousand dollars per facility license. Application and license fees shall be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency. An entity or entities under substantially common control, ownership, or management may not be an owner of more than ten percent of the total marijuana-infused products manufacturing facility licenses outstanding under both sections 1 and 2 of this Article at any given time, rounded down to the nearest whole number.
- (11) Any applicant for a license authorized by this section may prefile their application fee with the department beginning 30 days after December 6, 2018.
- (12) Except for good cause, a qualifying patient or his or her primary caregiver may obtain an identification card from the department to cultivate up to six flowering marijuana plants, six nonflowering marijuana plants (over fourteen inches tall), and six clones (plants under fourteen inches tall) for the exclusive use of that qualifying patient. The card shall be valid for three years from its date of issuance and shall be renewable with the submittal of a new or updated physician or nurse practitioner certification. The department shall charge a fee for the card of fifty dollars, with such rate to be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency.
- (13) The department may set a limit on the amount of marijuana that may be purchased by or on behalf of a single qualifying patient in a thirty-day period, provided that limit is not less than six ounces of dried, unprocessed marijuana, or its equivalent. Any such limit shall not apply to a qualifying patient with written certification from a physician or nurse practitioner that there are compelling reasons why the qualifying patient needs a greater amount than the limit established by the department.
- (14) The department may set a limit on the amount of marijuana that may be possessed by or on behalf of each qualifying patient, provided that limit is not less than a sixty-day supply of dried, unprocessed marijuana, or its equivalent. A primary caregiver may possess a separate legal limit for each qualifying patient under their care and a separate legal limit for themselves if they are a qualifying patient. Qualifying patients cultivating marijuana for medical use may possess up to a ninety-day supply, so long as the supply remains on property under their control. Any such limit shall not apply to a qualifying patient with written certification from an independent physician or nurse practitioner that there are compelling reasons for additional amounts. Possession of between the legal limit and up to twice the legal limit shall subject the possessor to department sanctions, including an administrative penalty of up to two hundred dollars and loss of their patient identification card for up to a year. Purposefully possessing amounts in excess of twice the legal limit shall be punishable as an infraction under applicable law.
- (15) The department may restrict the aggregate number of licenses granted for medical marijuana cultivation facilities and comprehensive marijuana cultivation facilities authorized by section 2 combined, provided, however, that the number may not be limited to fewer than one license per every one hundred thousand inhabitants, or any portion thereof, of the state of Missouri, according to the most recent census of the United States. A decrease in the number of inhabitants in the state of Missouri shall have no impact.
- (16) The department may restrict the aggregate number of licenses granted for medical marijuana-infused products manufacturing facilities and comprehensive marijuana-infused products manufacturing facilities authorized by section 2 combined, provided, however, that the number may not be limited to fewer than one license per every seventy thousand inhabitants, or any portion thereof, of the state of Missouri, according to the most recent census of the United States. A decrease in the number of inhabitants in the state of Missouri shall have no impact.
- (17) The department may restrict the aggregate number of licenses granted for medical marijuana dispensary facilities and comprehensive marijuana dispensary facilities authorized by section 2 combined, provided, however, that the number may not be limited to fewer than twenty-four licenses in each United States congressional district in the state of Missouri pursuant to the map of each of the eight congressional districts as drawn and effective on December 6, 2018. Future changes to the boundaries of or the number of congressional districts shall have no impact.
- (18) The department shall begin accepting license and certification applications for medical marijuana dispensary facilities, marijuana testing facilities, medical marijuana cultivation facilities, medical marijuana-infused products manufacturing facilities, seed-to-sale tracking systems, and for transportation of marijuana no later than two hundred forty days after December 6, 2018. Applications for licenses and certifications under this section shall be approved or denied by the department no later than one hundred fifty days after their submission. If the department fails to carry out its nondiscretionary duty to approve or deny an application within one hundred fifty days of submission, an applicant may immediately seek a court order compelling the department to approve or deny the application.
- (19) Qualifying patients under this section shall obtain an identification card or cards from the department. The department shall charge a fee of twenty-five dollars per card. Such fee may be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor or

its successor agency. Cards shall be valid for three years and may be renewed with a new physician or nurse practitioner certification. Upon receiving an application for a qualifying patient identification card or qualifying patient cultivation identification card, the department shall, within thirty days, either issue the card or provide a written explanation for its denial. If the department fails to deny and fails to issue a card to an eligible qualifying patient within thirty days, then their physician or nurse practitioner certification shall serve as their qualifying patient identification card or qualifying patient cultivation identification card for up to one year from the date of physician or nurse practitioner certification. All initial applications for or renewals of a qualifying patient identification card or qualifying patient cultivation identification card shall be accompanied by a physician or nurse practitioner certification that is less than thirty days old.

(20) Primary caregivers under this section shall obtain an identification card from the department. Cards shall be valid for three years. The department shall charge a fee of twenty-five dollars per card. Such fee may be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency. Upon receiving an application for a primary caregiver identification card, the department shall, within thirty days, either issue the card or provide a written explanation for its denial.

(21) Except as otherwise provided in this Article, all marijuana for medical use sold in Missouri shall be cultivated in a licensed medical marijuana cultivation facility located in Missouri.

(22) Except as otherwise provided in this Article, all marijuana-infused products for medical use sold in the state of Missouri shall be manufactured in a medical marijuana-infused products manufacturing facility.

(23) The denial of a license, license renewal, or identification card by the department shall be appealable to the administrative hearing commission, or its successor entity. Following the exhaustion of administrative review, denial of a license, license renewal, or identification card by the department shall be subject to judicial review as provided by law.

(24) No elected official shall interfere directly or indirectly with the department's obligations and activities under this section.

(25) The department shall not have the authority to apply or enforce any unduly burdensome rule or regulation or administrative penalty upon any one or more licensees or certificate holders, any qualifying patients, or their primary caregivers, or act to undermine the purposes of this section.]

The following acts are not unlawful and shall not be an offense under Missouri law:

- (a) Possession and/or consumption of Cannabis for personal, medical and/or adult use.
- (b) Cultivating and/or processing Cannabis for personal and/or medical use.
- (c) Sharing Cannabis with friends, neighbors, the poor, the homeless and/or the general public, including neighborhood or community gardens and Cannabis co-ops.
- (f) Leasing or otherwise allowing the use of property owned, occupied or controlled by any person, corporation or other entity for any of the activities conducted lawfully in accordance with paragraphs (a) through (e) of this subsection.
- (g) No one shall be denied housing solely based on their use of Cannabis.
- (h) No one shall be denied employment solely based on their use of Cannabis.
- (i) The use and/or possession of Cannabis shall in no way impede one's legal right to possess a firearm.
- (j) The use and/or possession of Cannabis shall in no way impede one's legal right to foster or adopt or impede one's right to child custody.

14. Taxation and Reporting.] 4. Limitations, Parental and/or Guardian Responsibility.

[1) A tax is levied upon the retail sale of marijuana for medical use sold at medical marijuana dispensary facilities within the state. The tax shall be at a rate of four percent of the retail price. The tax shall be collected by each licensed medical marijuana dispensary facility and paid to the department of revenue. After retaining no more than two percent for its actual collection costs, amounts generated by the medical marijuana tangible personal property retail sales tax levied in this section shall be deposited by the department of revenue into the Missouri veterans' health and care fund. Licensed entities making retail sales within the state shall be allowed approved credit for returns provided the tax was paid on the returned item and the purchaser was given the refund or credit.

(2) There is hereby created in the state treasury the "Missouri Veterans' Health and Care Fund", which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The commissioner of administration is authorized to make cash operating transfers to the fund for purposes of meeting the cash requirements of the department in advance of it receiving annual application, licensing, and tax revenue, with any such transfers to be repaid as provided by law. The fund shall be a dedicated fund and shall stand appropriated without further legislative action as follows:

(a) First, to the department, an amount necessary for the department to carry out this section, including repayment of any cash operating transfers, payments made through contract or agreement with other state and public agencies necessary to carry out this section, and a reserve fund to maintain a reasonable working cash balance for the purpose of carrying out this section;

(b) Next, the remainder of such funds shall be transferred to the Missouri veterans commission for health and care services for military veterans, including the following purposes: operations, maintenance and capital improvements of the Missouri veterans homes, the Missouri service officer's program, and other services for veterans approved by the commission, including, but not limited to, health care services, mental health services, drug rehabilitation services, housing assistance, job training, tuition assistance, and housing assistance to prevent homelessness. The Missouri veterans commission shall contract with other public agencies for the delivery of services beyond its expertise.

(c) All monies from the taxes authorized under this subsection shall provide additional dedicated funding for the purposes enumerated above and shall not replace existing dedicated funding.

(3) For all retail sales of marijuana for medical use, a record shall be kept by the seller which identifies, by secure and encrypted patient number issued by the seller to the qualifying patient involved in the sale, all amounts and types of marijuana involved in the sale and the total amount of money involved in the sale, including itemizations, taxes collected and grand total sale amounts. All such records shall be kept on the premises in a readily available format and be made available for review by the department and the department of revenue upon request. Such records shall be retained for five years from the date of the sale.

(4) The tax levied pursuant to this subsection is separate from, and in addition to, any general state and local sales and use taxes that apply to retail sales, which shall continue to be collected and distributed as provided by general law.

(5) Except as authorized in this subsection, no additional taxes shall be imposed on the sale of marijuana for medical use.

(6) The fees and taxes provided for in this Article XIV, Section 1 shall be fully enforceable notwithstanding any other provision in this Constitution purportedly prohibiting or restricting the taxes and fees provided for herein.

(7) The unexpended balance existing in the fund shall be exempt from the provisions of section **33.080, RSMo**, or its successor provisions, relating to the transfer of unexpended balances to the general revenue fund.

(8) For taxpayers authorized to do business pursuant to this Article, the amount that would have been deducted in the computation of federal taxable income pursuant to 26 U.S.C. Section 280E of the Internal Revenue Code as in effect on January 1, 2021, or successor provisions, but is disallowed because cannabis is a controlled substance under federal law, shall be subtracted from the taxpayer's federal adjusted gross income, in determining the taxpayer's Missouri adjusted gross income.]

Missouri recognizes and empowers parents and/or legal guardians in their authority and influence over the children for whom they care regarding euphoric substances.

- (a.) Parents and/or legal guardians are required by law to educate the children under their direction to abide by rules of proper behavior, both in public and in private.
- (b.) Personal and religious views, and their influence on children regarding Cannabis will not be the responsibility of the state of Missouri.
- (c.) Parents and/or legal guardians will be directly responsible for the children for whom they are legally bound, to provide support and proper education regarding Cannabis and its use.
- (d.) Recognizing that both children and adults can benefit from Cannabis therapies, possession and/or consumption in schools, public and/or private would be permitted in designated areas. Guidance and supervision should be provided when a parent is not available.
- (e.) There will be no permits or restrictions required regarding personal Cannabis cultivation beyond that which would be required regarding a personal or community vegetable garden.
- (f.) Cannabis coops, where family, friends or neighbors produce for each other and those who cannot physically or economically grow their own Cannabis, will be encouraged wherever personal and/or community vegetable gardens are permitted.

15. Additional Patient, Physician, Nurse Practitioner, Caregiver and Provider Protections.] 5. Medical Cannabis.

[1) Except as provided in this section, the possession of marijuana in quantities less than the limits of this section, or established by the department, and transportation of marijuana by the qualifying patient or primary caregiver shall not subject the possessor to arrest, criminal or civil liability, or sanctions under Missouri law, provided that the possessor produces on demand to the appropriate authority a valid qualifying patient identification card; a valid qualifying patient cultivation identification card; a valid physician or nurse practitioner certification while making application for an identification card; or a valid primary caregiver identification card. Production of the respective substantially equivalent identification card or authorization issued by another state or political subdivision of another state shall also meet the requirements of this subdivision and shall allow for the purchase of medical marijuana for use by a non-resident patient from a medical marijuana dispensary facility as permitted by this section and in compliance with department regulations.

(2) No patient shall be denied access to or priority for an organ transplant or other medical care because they hold a qualifying patient identification card or use marijuana for medical use.

(3) A physician or nurse practitioner shall not be subject to criminal or civil liability or sanctions under Missouri law or discipline by the Missouri state board of registration for the healing arts, the Missouri state board of nursing, or their respective successor agencies, for owning, operating, investing in, being employed by, or contracting with any entity licensed or certified pursuant to this section or issuing a physician or nurse practitioner certification to a patient diagnosed with a qualifying medical condition in a manner consistent with this section and legal standards of professional conduct.

(4) A health care provider shall not be subject to civil or criminal prosecution under Missouri law, denial of any right or privilege, civil or administrative penalty or sanction, or disciplinary action by any accreditation or licensing board or commission for owning, operating, investing in, being employed by, or contracting with any entity licensed or certified pursuant to this section or providing health care services that involve the medical use of marijuana consistent with this section and legal standards of professional conduct.

(5) A marijuana testing facility shall not be subject to civil or criminal prosecution under Missouri law, denial of any right or privilege, civil or administrative penalty or sanction, or disciplinary action by any accreditation or licensing board or commission for providing laboratory testing services that relate to the medical use of marijuana consistent with this section and otherwise meeting legal standards of professional conduct.

- (6) A health care provider shall not be subject to mandatory reporting requirements for the medical use of marijuana by nonemancipated qualifying patients under eighteen years of age in a manner consistent with this section and with consent of a parent or guardian.
- (7) A primary caregiver shall not be subject to criminal or civil liability or sanctions under Missouri law for purchasing, transporting, or administering marijuana for medical use to a qualifying patient or participating in the patient cultivation of up to six flowering marijuana plants, six nonflowering marijuana plants (over fourteen inches tall), and six clones (plants under fourteen inches tall) per patient and no more than twenty-four flowering plants for more than one qualifying patient in a manner consistent with this section and generally established legal standards of personal or professional conduct.
- (8) Notwithstanding any provision of Article V to the contrary, an attorney shall not be subject to disciplinary action by the Supreme Court of Missouri, the office of chief disciplinary counsel, the state bar association, any state agency, or any professional licensing body for any of the following:
- (a) Owning, operating, investing in, being employed by, or contracting with prospective or licensed marijuana testing facilities, medical marijuana cultivation facilities, medical marijuana dispensary facilities, medical marijuana-infused products manufacturing facilities, or transportation certificate holders;
 - (b) Counseling, advising, and/or assisting a client in conduct permitted by Missouri law that may violate or conflict with federal or other law, as long as the attorney advises the client about that federal or other law and its potential consequences;
 - (c) Counseling, advising, and/or assisting a client in connection with applying for, owning, operating, or otherwise having any legal, equitable, or beneficial interest in marijuana testing facilities, medical marijuana cultivation facilities, medical marijuana dispensary facilities, medical marijuana-infused products manufacturing facilities, or transportation certificates; or
 - (d) Counseling, advising or assisting a qualifying patient, primary caregiver, physician, nurse practitioner, health care provider or other client related to activity that is no longer subject to criminal penalties under Missouri law pursuant to this Article.
- (9) Actions and conduct by qualifying patients, primary caregivers, marijuana testing facilities, medical marijuana cultivation facilities, medical marijuana-infused products manufacturing facilities, or medical marijuana dispensary facilities licensed or registered with the department, or their employees or agents, as permitted by this section and in compliance with department regulations and other standards of legal conduct, shall not be subject to criminal or civil liability or sanctions under Missouri law, except as provided for by this section.
- (10) Nothing in this section shall provide immunity for negligence, either common law or statutorily created, nor criminal immunities for operating a vehicle, aircraft, dangerous device, or navigating a boat under the influence of marijuana.
- (11) It is the public policy of the state of Missouri that contracts related to marijuana for medical use that are entered into by qualifying patients, primary caregivers, marijuana testing facilities, medical marijuana cultivation facilities, medical marijuana-infused products manufacturing facilities, or medical marijuana dispensary facilities and those who allow property to be used by those entities, should be enforceable. It is the public policy of the state of Missouri that no contract entered into by qualifying patients, primary caregivers, marijuana testing facilities, medical marijuana cultivation facilities, medical marijuana-infused products manufacturing facilities, or medical marijuana dispensary facilities, or by a person who allows property to be used for activities that are exempt from state criminal penalties by this section, shall be unenforceable on the basis that activities related to medical marijuana may be prohibited by federal law.
- (12) In the process of requesting a search or arrest warrant relating to the production, possession, transportation or storage of marijuana, a state or local law enforcement official shall verify with the department whether the targeted person is a qualifying patient or primary caregiver holding an identification card allowing for cultivation of marijuana plants under subdivision (12) of subsection 3 of this section, and shall inform the issuing authority accordingly when making the warrant request. Evidence of marijuana alone, without specific evidence indicating that the marijuana is outside of what is lawful for medical or adult use, cannot be the basis for a search of a patient or non-patient, including their home, vehicle or other property. Lawful marijuana related activities cannot be the basis for a violation of parole, probation, or any type of supervised release. State and local law enforcement shall only have access to such department information as is necessary to confirm whether the targeted person holds registration card.
- (13) Registered qualifying patients on bond for pre-trial release, on probation, or other form of supervised release shall not be prohibited from legally using a lawful marijuana product as a term or condition of release, probation, or parole. An alternative sentencing drug court program may not prohibit individuals under its jurisdiction from using a lawful marijuana product as long as the individual is a registered qualifying patient.
- (14) A family court participant or party who requires treatment for a qualified medical condition in accordance with this section shall not be required to refrain from using medical marijuana as a term or condition of successful completion of the family court program. The status and conduct of a qualified patient who acts in accordance with this section shall not, by itself, be used to restrict or abridge custodial or parental rights to minor children in any action or proceeding under the jurisdiction of a family court under chapter 487, RSMo, including domestic matters under chapter 452, RSMo, or a juvenile court under chapter 211, RSMo, or successor provisions.
- (15) A person shall not be denied adoption, custody, or visitation rights relative to a minor solely for conduct that is permitted by this section.
- (16) No person shall be denied their rights under Article 1, Section 23 of the Missouri Constitution, or successor provisions, solely for conduct that is permitted by this section.]

Medical Cannabis shall be available to patients without taxation who have a physician's recommendation for its use. Recommendations can be in the form of a card or letter, clearly identifying that the patient requires Cannabis and is under the care of the mentioned physician, listing both the physician and patient's address, email address, phone number, signatures and date of signature.

- (a) All patients engaged in Cannabis therapy shall be afforded the same rights and privileges afforded to any patient treated through conventional therapeutic means, whether or not the patient is under the care of a physician.
- (b) If an employee is a valid Cannabis patient and requires medicating with Cannabis during the course of their work time, the employee will be afforded sufficient time to medicate and a safe place to medicate. Concessions regarding the location should be agreed on by both the employer and the employee without restricting the ability of the employee to properly medicate.
- (c) Licensed physicians shall not be penalized for, nor restricted from recommending and/or providing Cannabis for medical purposes for any person under their care.
- (d) Veterinarians shall not be penalized for, nor restricted from recommending and/or providing Cannabis for medical purposes for any creature under their care.
- (e) Any individual who is a Cannabis patient in another state shall be granted the same rights and privileges as a legal Missouri Cannabis patient.
- (f) Medical care, including organ transplants, shall not be restricted in any way based on a person's use of Cannabis.

16. Legislation.

[Nothing in this section shall limit the general assembly from enacting laws consistent with this section, or otherwise effectuating the patient rights of this section. The legislature shall not enact laws that hinder the right of qualifying patients to access marijuana for medical use as granted by this section.

7. Additional Provisions.] 6. Zoning.

[1) Nothing in this section permits a person to:

- (a) Consume marijuana for medical use in a jail or correctional facility;
 - (b) Undertake any task under the influence of marijuana when doing so would constitute negligence or professional malpractice; or
 - (c) Operate, navigate, or be in actual physical control of any dangerous device or motor vehicle, aircraft or motorboat while under the influence of marijuana. Notwithstanding the foregoing, an arrest or a conviction of a person who has a valid qualifying patient identification card for any applicable offenses shall require evidence that the person was in fact under the influence of marijuana at the time the person was in actual physical control of the dangerous device or motor vehicle, aircraft or motorboat and not solely on the presence of tetrahydrocannabinol (THC) or THC metabolites, or a combination thereof, in the person's system; or
 - (d) Bring a claim against any employer, former employer, or prospective employer for wrongful discharge, discrimination, or any similar cause of action or remedy, based on the employer, former employer, or prospective employer prohibiting the employee, former employee, or prospective employee from being under the influence of marijuana while at work or disciplining the employee or former employee, up to and including termination from employment, for working or attempting to work while under the influence of marijuana.
- (2) No medical marijuana cultivation facility, marijuana testing facility, medical marijuana dispensary facility, or medical marijuana-infused products manufacturing facility, or entity with a transportation certification shall be owned, in whole or in part, or have as an officer, director, board member, manager, or employee, any individual with a disqualifying felony offense. A "disqualifying felony offense" is a violation of, and conviction or guilty plea to, state or federal law that is, or would have been, a felony under Missouri law, regardless of the sentence imposed, unless the department determines that:
- (a) The person's conviction was for the medical use of marijuana or assisting in the medical use of marijuana; or
 - (b) The person's conviction was for a nonviolent crime for which he or she was not incarcerated and that is more than five years old; or
 - (c) More than five years have passed since the person was released from parole or probation, and he or she has not been convicted of any subsequent criminal offenses.

The department may consult with and rely on the records, advice and recommendations of the attorney general and the department of public safety, or their successor entities, in applying this subdivision.

(3) No medical marijuana cultivation facility, medical marijuana dispensary facility, or medical marijuana-infused products manufacturing facility shall manufacture, package or label marijuana or marijuana-infused products in a false or misleading manner. No person shall sell any product in a manner designed to cause confusion between a marijuana or marijuana-infused product and any product not containing marijuana. A violation of this subdivision shall be punishable by an appropriate and proportional department sanction, up to and including an administrative penalty of five thousand dollars and loss of license.

(4) All edible marijuana-infused products shall be sold in individual, child-resistant containers that are labeled with dosage amounts, instructions for use, and estimated length of effectiveness. All marijuana and marijuana-infused products shall be sold in containers clearly and conspicuously labeled as mandated by the department as containing "Marijuana", or a "Marijuana-Infused roduct". Violation of this prohibition shall subject the violator to department sanctions, including an administrative penalty of five thousand dollars.

- (5) No individual shall serve as the primary caregiver for more than six qualifying patients. No primary caregiver cultivating marijuana for more than one qualifying patient may exceed a total of twenty-four flowering plants.
- (6) A person who smokes medical marijuana in a public place, other than in an area licensed for such activity by the department or by local authorities having jurisdiction over the licensing or permitting of said activity, is subject to a civil penalty not exceeding one hundred dollars.
- (7) No person shall extract resins from marijuana using dangerous materials or combustible gases without a medical marijuana-infused products manufacturing facility license. Violation of this prohibition shall subject the violator to department sanctions, including an administrative penalty of one thousand dollars for a patient or primary caregiver and ten thousand dollars for a facility licensee and, if applicable, loss of their identification card, certificate, or license for up to one year.
- (8) All qualifying patient cultivation shall take place in an enclosed, locked facility that is equipped with security devices that permit access only by the qualifying patient or by such patient's primary caregiver. Two qualifying patients, who both hold valid qualifying patient cultivation identification cards, may share one enclosed, locked facility. Primary caregivers cultivating marijuana for more than one qualifying patient may cultivate each respective qualifying patient's flowering plants in a single, enclosed locked facility subject to the limits of subsection 3, paragraph 12.
- (9) No medical marijuana cultivation facility, medical marijuana dispensary facility, medical marijuana-infused products manufacturing facility, marijuana testing facility, or entity with a transportation certification shall assign, sell, give, lease, sublicense, or otherwise transfer its license or certificate to any other entity without the express consent of the department, not to be unreasonably withheld.
- (10) (a) Unless allowed by the local government, no new medical marijuana cultivation facility, marijuana testing facility, medical marijuana dispensary facility, or medical marijuana-infused products manufacturing facility shall be initially sited within one thousand feet of any then-existing elementary or secondary school, child day-care center, or church. In the case of a freestanding facility, the distance between the facility and the school, daycare, or church shall be measured from the external wall of the facility structure closest in proximity to the school, daycare, or church to the closest point of the property line of the school, daycare, or church. If the school, daycare, or church is part of a larger structure, such as an office building or strip mall, the distance shall be measured to the entrance or exit of the school, daycare, or church closest in proximity to the facility. In the case of a facility that is part of a larger structure, such as an office building or strip mall, the distance between the facility and the school, daycare, or church shall be measured from the property line of the school, daycare, or church to the facility's entrance or exit closest in proximity to the school, daycare, or church. If the school, daycare, or church is part of a larger structure, such as an office building or strip mall, the distance shall be measured to the entrance or exit of the school, daycare, or church closest in proximity to the facility. Measurements shall be made along the shortest path between the demarcation points that can be lawfully traveled by foot. No local government shall prohibit medical marijuana cultivation facilities, marijuana testing facilities, medical marijuana-infused products manufacturing facilities, or medical marijuana dispensary facilities, or entities with a transportation certification either expressly or through the enactment of ordinances or regulations that make their operation unduly burdensome in the jurisdiction. However, local governments may enact ordinances or regulations not in conflict with this section, or with regulations enacted pursuant to this section, governing the time, place, and manner of operation of such facilities in the locality. A local government may establish civil penalties for violation of an ordinance or regulations governing the time, place, and manner of operation of a medical marijuana cultivation facility, marijuana testing facility, medical marijuana-infused products manufacturing facility, medical marijuana dispensary facility, or entity holding a transportation certification that may operate in such locality.
- (b) The only local government ordinances or regulations that are binding on a medical facility are those of the local government where the medical facility is physically located.
- (11) Unless superseded by federal law or an amendment to this Constitution, a physician or nurse practitioner shall not certify a qualifying condition for a patient by any means other than providing a physician or nurse practitioner certification for the patient, whether handwritten, electronic, or in another commonly used format.
- (12) A physician or nurse practitioner shall not issue a certification for the medical use of marijuana for a nonemancipated qualifying patient under the age of eighteen without the written consent of the qualifying patient's parent or legal guardian. The department shall not issue a qualifying patient identification card on behalf of a nonemancipated qualifying patient under the age of eighteen without the written consent of the qualifying patient's parent or legal guardian. Such card shall be issued to one of the parents or guardians and not directly to the patient. Only a parent or guardian may serve as a primary caregiver for a nonemancipated qualifying patient under the age of eighteen. Only the qualifying patient's parent or guardian shall purchase or possess medical marijuana for a nonemancipated qualifying patient under the age of eighteen. A parent or guardian shall supervise the administration of medical marijuana to a nonemancipated qualifying patient under the age of eighteen.
- (13) Nothing in this section shall be construed as mandating health insurance coverage of medical marijuana for qualifying patient use.
- (14) Real and personal property used in the cultivation, manufacture, transport, testing, distribution, sale, and administration of marijuana for medical use or for activities otherwise in compliance with this section shall not be subject to asset forfeiture solely because of that use.
- (15) Unless a failure to do so would cause an employer to lose a monetary or licensing-related benefit under federal law, an employer may not discriminate against a person in hiring, termination or any term or condition of employment or otherwise penalize a person, if the discrimination is based upon either of the following:
- (a) The person's status as a qualifying patient or primary caregiver who has a valid identification card, including the person's legal use of a lawful marijuana product off the employer's premises during nonworking hours, unless the person was under the influence of medical marijuana on the premises of the place of employment or during the hours of employment; or
- (b) A positive drug test for marijuana components or metabolites of a person who has a valid qualifying patient identification card, unless the person used, possessed, or was under the influence of medical marijuana on the premises of the place of employment or during the hours of employment.
- Nothing in this subdivision shall apply to an employee in a position in which legal use of a lawful marijuana product affects in any manner a person's ability to perform job-related employment responsibilities or the safety of others, or conflicts with a bona fide occupational qualification that is reasonably related to the person's employment.
- (16) The enactment of section 2 of this Article and concurrent amendments to section 1 of this Article shall have no effect upon any valid contract, claim, or cause of action instituted prior to the effective date of this section.]

Cannabis farmers, manufacturers, processors, and distributors shall not be subject to any special zoning requirements and/or licensing fee that is excessive, discriminatory, prohibitive, or in any way contrary to that which is relative to any other commercial or agricultural farmer, manufacturer, processor or distributor or the products they produce.

[8. Federal Legalization.] 7. Law Enforcement and the Courts.

If federal law, rules, or regulations are amended to allow the interstate commerce of marijuana or marijuana-infused products or the importation or exportation of marijuana or marijuana-infused products into or out of the state of Missouri, the provisions and intent of this section shall, to the extent possible, remain in full effect, unless explicitly preempted by such federal law, rule, or regulation. If federal law, rules, or regulations are amended as provided above, any marijuana or marijuana-infused products imported into this state shall be subject to the same testing standards and seed to sale tracking system required under this section for marijuana and marijuana-infused products produced within the state. Unless federal law, rules, or regulations explicitly require otherwise, no entity shall sell, transport, produce, distribute, deliver, or cultivate marijuana or marijuana-infused products without an applicable license or certificate as required under this section. In addition, any raw biomass of marijuana or marijuana flower imported from out-of-state shall be received only by a licensed cultivation facility, while all batch oil, infused marijuana products and any marijuana product in any other form shall be received only by a licensed manufacturing facility.]

Missouri's law enforcement and its courts shall protect Cannabis consumers and their property without discrimination, and with the same effort afforded to every citizen of Missouri and our nation.

- (a) The use and/or possession of Cannabis shall not be grounds for issuing a "Driving under the influence" (DUI) stop, charge, arrest, or fine(s) when operating or a passenger of a motor vehicle. Stops, charges, fines and arrests shall be the product of visible and/or previously proven non-Cannabis infractions of Missouri law; actual crime, not assumed, coerced, or profiled.
- (b) No Missouri law enforcement personnel or state funds shall be used to assist or aid in the enforcement of Federal Cannabis laws involving acts which are no longer illegal in the State of Missouri under this amendment.
- (c) Asset and/or Civil Forfeiture shall no longer be used in the state of Missouri in association with Cannabis, Cannabis cultivation, it's use, possession, and/or its sale in any way.
- (d) Upon the passage of this Act, all persons incarcerated or under supervision of the Missouri Board of Probation and Parole for non-violent, Cannabis offenses, which are no longer illegal in the State of Missouri under this Act, shall be immediately released.
- (e) Within 60 days of the passage of Act, a legal document shall be developed and made available to the public ordering the immediate destruction of all Cannabis related non-violent civil and criminal records in Missouri and for any offense covered by this amendment which is no longer illegal in the State of Missouri under this Act. This document shall be distributed to all pertinent parties throughout the state.
- (f) Within 60 days, Missouri's Courts shall order the immediate expungement of civil and criminal records pertaining to all non-violent Cannabis offenses which are no longer illegal in the State of Missouri under this Act. NO record of these offenses will be retained anywhere for any reason.

[9. Severability.] 8. Regarding Federal Law.

[The provisions of this section are severable, and if any clause, sentence, paragraph or section of this measure, or an application thereof, is adjudged invalid by any court of competent jurisdiction, the other provisions shall continue to be in effect to the fullest extent possible.] Pursuant to the Ninth and Tenth Amendments to the Constitution of the United States, the people of Missouri hereby repudiate and challenge Federal Cannabis prohibitions that conflict with this Act. As well, we refuse any Federal law, mandate or agreement that seeks to impose any restrictions, taxes, or covenants upon Cannabis that present Cannabis as anything other than a nontoxic and nutritious food, as well as a remarkable medicine, and a most necessary commodity for Missouri and our nation.

9. Existing and conflicting Local, State and Federal Law.

- (a) No excise tax ("sin tax") or any other tax shall be imposed on the consumption, purchase or sale of Cannabis other than the sales tax imposed at the time of sale, the same as any other commodity.
- (b) Cannabis, being a nontoxic and highly medicinal organic product, is protected from rules, whether state, county or municipal, that would seek to imply and/or mandate any restriction and/or penalty upon the consumption, possession, production and/or sale of Cannabis, it's byproducts, and/or its accessories.
- (c) Because Cannabis is nontoxic, Missouri's consumers can no longer be expected to be held to personal and/or religious biases regarding its use, possession or sale.
- (d) All provisions of this section shall supersede conflicting city, county, state and Federal statutory, local charter, ordinance, law or resolution.

[XIV Section 2. Marijuana legalization, regulation, and taxation. — 1. Purpose.] XIV Section 2. A fair, healthy and profitable Cannabis community and industry.

1. Purpose.

[The purpose of this section is to make marijuana legal under state and local law for adults twenty-one years of age or older, and to control the commercial production and distribution of marijuana under a system that licenses, regulates, and taxes the businesses involved while protecting public health. The intent is to prevent arrest and penalty for personal possession and cultivation of limited amounts of marijuana by adults twenty-one years of age or older; remove the commercial production and distribution of marijuana from the illicit market; prevent revenue generated from commerce in marijuana from going to criminal enterprises; prevent the distribution of marijuana to persons under twenty-one years of age; prevent the diversion of marijuana to illicit markets; protect public health by ensuring the safety of marijuana and products containing marijuana; and ensure the security of marijuana facilities. To the fullest extent possible, this section shall be interpreted in accordance with the purpose and intent set forth in this section.

This section is not intended to allow for the public use of marijuana, driving while under the influence of marijuana, the use of marijuana in the workplace, or the use of marijuana by persons under twenty-one years of age.]

The purpose of this section is to further address the path Cannabis will take in Missouri as a truly nontoxic source for medicine and food and other essential commodities. By freeing Missouri from the ignorance and bigotries that have precedingly vilified Cannabis in Missouri law, we seek to provide an environment that minimizes government oversight while promoting education, reinforcing personal responsibility and supporting the essential power of parental influence, recognizing that good behavior and personal beliefs cannot be dictated in state law, but must be taught in our homes and our schools.

12. Definitions.

- (1) "Church" means a permanent building primarily and regularly used as a place of religious worship.
- (2) "Comprehensive facility" means a comprehensive marijuana cultivation facility, comprehensive marijuana dispensary facility, or a comprehensive marijuana-infused products manufacturing facility.
- (3) "Comprehensive marijuana cultivation facility" means a facility licensed by the department to acquire, cultivate, process, package, store on site or off site, transport to or from, and sell marijuana, marijuana seeds, marijuana vegetative cuttings (also known as clones) to a medical facility, comprehensive facility, or marijuana testing facility. A comprehensive marijuana cultivation facility need not segregate or account for its marijuana products as either non-medical marijuana or medical marijuana. A comprehensive marijuana cultivation facility's authority to process marijuana shall include the creation of prerolls, but shall not include the manufacture of marijuana-infused products.
- (4) "Comprehensive marijuana dispensary facility" means a facility licensed by the department to acquire, process, package, store on site or off site, sell, transport to or from, and deliver marijuana, marijuana seeds, marijuana vegetative cuttings (also known as clones), marijuana-infused products, and drug paraphernalia used to administer marijuana as provided for in this section to a qualifying patient or primary caregiver, as those terms are defined in section 1 of this Article, or to a consumer, anywhere on the licensed property or to any address as directed by the patient, primary caregiver, or consumer and consistent with the limitations of this Article and as otherwise allowed by law, to a comprehensive facility, a marijuana testing facility, or a medical facility. Comprehensive dispensary facilities may receive transaction orders at the dispensary directly from the consumer in person, by phone, or via the internet, including from a third party. A comprehensive marijuana dispensary facility need not segregate or account for its marijuana products as either non-medical marijuana or medical marijuana, but shall collect all appropriate tangible personal property sales tax for each sale, as set forth in this Article and provided for by general or local law. A comprehensive marijuana dispensary facility's authority to process marijuana shall include the creation of prerolls.
- (5) "Comprehensive marijuana-infused products manufacturing facility" means a facility licensed by the department to acquire, process, package, store, manufacture, transport to or from a medical facility, comprehensive facility, or marijuana testing facility, and sell marijuana-infused products, prerolls, and infused prerolls to a marijuana dispensary facility, a marijuana testing facility, or another marijuana-infused products manufacturing facility. A comprehensive marijuana-infused products manufacturing facility need not segregate or account for its marijuana products as either non-medical marijuana or medical marijuana.
- (6) "Consumer" means a person who is at least twenty-one years of age.
- (7) "Daycare" means a child-care facility, as defined by section 210.201, RSMo, or successor provisions, that is licensed by the state of Missouri.
- (8) "Department" means the department of health and senior services, or its successor agency.
- (9) "Entity" means a natural person, corporation, professional corporation, nonprofit corporation, cooperative corporation, unincorporated association, business trust, limited liability company, general or limited partnership, limited liability partnership, joint venture, or any other legal entity.
- (10) "Flowering plant" means a marijuana plant from the time it exhibits the first signs of sexual maturity through harvest.
- (11) "Infused preroll" means a consumable or smokable marijuana product, generally consisting of: (1) a wrap or paper, (2) dried flower, buds, and/or plant material, and (3) a concentrate, oil or other type of marijuana extract, either within or on the surface of the product. Infused prerolls may or may not include a filter or crutch at the base of the product.
- (12) "Local government" means, in the case of an incorporated area, a village, town, or city and, in the case of an unincorporated area, a county.
- (13) "Marijuana" or "marihuana" means Cannabis indica, Cannabis sativa, and Cannabis ruderalis, hybrids of such species, and any other strains commonly understood within the scientific community to constitute marijuana, as well as resin extracted from the marijuana plant and marijuana-infused products. "Marijuana" or "marihuana" do not include industrial hemp, as defined by Missouri statute, or commodities or products manufactured from industrial hemp.
- (14) "Marijuana accessories" means any equipment, product, material, or combination of equipment, products, or materials, which is specifically designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, ingesting, inhaling, or otherwise introducing marijuana into the human body.
- (15) "Marijuana facility" means a comprehensive marijuana cultivation facility, comprehensive marijuana dispensary facility, marijuana testing facility, comprehensive marijuana-infused products manufacturing facility, microbusiness wholesale facility, microbusiness dispensary facility, or any other type of marijuana-related facility or business licensed or certified by the department pursuant to this section, but shall not include a medical facility licensed under section 1 of this Article.
- (16) "Marijuana-infused products" means products that are infused, dipped, coated, sprayed, or mixed with marijuana or an extract thereof, including, but not limited to, products that are able to be vaporized or smoked, edible products, ingestible products, topical products, suppositories, and infused prerolls.
- (17) "Marijuana microbusiness facility" means a facility licensed by the department as a microbusiness dispensary facility or microbusiness wholesale facility, as defined in this section.
- (18) "Microbusiness dispensary facility" means a facility licensed by the department to acquire, process, package, store on site or off site, sell, transport to or from, and deliver marijuana, marijuana seeds, marijuana vegetative cuttings (also known as clones), marijuana-infused products, and drug paraphernalia used to administer marijuana as provided for in this section to a consumer, qualifying patient, as that term is defined in section 1 of this Article, or primary caregiver, as that term is defined in section 1 of this Article, anywhere on the licensed property or to any address as directed by the consumer, qualifying patient, or primary caregiver and, consistent with the limitations of this Article and as otherwise allowed by law, a microbusiness wholesale facility, or a marijuana testing facility. Microbusiness dispensary facilities may receive transaction orders at the dispensary directly from the consumer in person, by phone, or via the internet, including from a third party. A microbusiness dispensary facility's authority to process marijuana shall include the creation of prerolls.
- (19) "Microbusiness wholesale facility" means a facility licensed by the department to acquire, cultivate, process, package, store on site or off site, manufacture, transport to or from, deliver, and sell marijuana, marijuana seeds, marijuana vegetative cuttings (also known as clones), and marijuana-infused products to a microbusiness dispensary facility, other microbusiness wholesale facility, or marijuana testing facility. A microbusiness wholesale facility may cultivate up to 250 flowering marijuana plants at any given time. A microbusiness wholesale facility's authority to process marijuana shall include the creation of prerolls and infused prerolls.
- (20) "Marijuana testing facility" means a facility certified by the department to acquire, test, certify, and transport marijuana, including those originally certified as a medical marijuana testing facility.
- (21) "Owner" means an individual who has a financial (other than a security interest, lien, or encumbrance) or voting interest in ten percent or greater of a marijuana facility.
- (22) "Preroll" means a consumable or smokable marijuana product, generally consisting of: (1) a wrap or paper and (2) dried flower, buds, and/or plant material. Prerolls may or may not include a filter or crutch at the base of the product.
- (23) "Unduly burdensome" means that the measures necessary to comply with the rules or ordinances adopted pursuant to this section subject licensees or potential licensees to such a high investment of money, time, or any other resource or asset that a reasonably prudent businessperson would not operate the marijuana facility.

3. Limitations. 12. Regulation of Cannabis.

[1] Except as otherwise provided in this Article, this section does not preclude, limit, or affect laws that assign liability relative to, prohibit, or otherwise regulate:

- (a) Delivery or distribution of marijuana or marijuana accessories, with or without consideration, to a person younger than twenty-one years of age;
- (b) Purchase, possession, use, or transport of marijuana or marijuana accessories by a person younger than twenty-one years of age;
- (c) Consumption of marijuana by a person younger than twenty-one years of age;
- (d) Operating or being in physical control of any motor vehicle, train, aircraft, motorboat, or other motorized form of transport while under the influence of marijuana. Notwithstanding the foregoing, a conviction of a person who is at least twenty-one years of age for any applicable offenses shall require evidence that the person was in fact under the influence of marijuana at the time the person was in physical control of the motorized form of transport and not solely on the presence of tetrahydrocannabinol (THC) or THC metabolites, or a combination thereof, in the person's system;
- (e) Consumption of marijuana while operating or being in physical control of a motor vehicle, train, aircraft, motorboat, or other motorized form of transport while it is being operated;

- (f) Smoking marijuana within a motor vehicle, train, aircraft, motorboat, or other motorized form of transport while it is being operated;
- (g) Possession or consumption of marijuana or possession of marijuana accessories on the grounds of a public or private preschool, elementary or secondary school, institution of higher education, in a school bus, or on the grounds of any correctional facility;
- (h) Smoking marijuana in a location where smoking tobacco is prohibited;
- (i) Consumption of marijuana in a public place, other than in an area licensed by the authorities having jurisdiction over the licensing and/or permitting of said activity, as set forth in subsection 5 of this section;
- (j) Conduct that endangers others;
- (k) Undertaking any task while under the influence of marijuana, if doing so would constitute negligence, recklessness, or professional malpractice; or
- (l) Performing solvent-based extractions on marijuana using solvents other than water, glycerin, propylene glycol, vegetable oil, or food-grade ethanol, unless licensed for this activity by the department.

(2) This section does not limit any privileges, rights, immunities, or defenses of a person or entity as provided in section 1 of this Article, or any other law of this state allowing for or regulating marijuana for medical use.

(3) This section does not require an employer to permit or accommodate conduct otherwise allowed by this section in any workplace or on the employer's property. This section does not prohibit an employer from disciplining an employee for working while under the influence of marijuana. This section does not prevent an employer from refusing to hire, discharging, disciplining, or otherwise taking an adverse employment action against a person with respect to hire, tenure, terms, conditions, or privileges of employment because that person was working while under the influence of marijuana.

(4) This section allows an entity to prohibit or otherwise limit the consumption, cultivation, distribution, processing, sale, or display of marijuana, marijuana-infused products, and marijuana accessories on private property the entity owns, leases, occupies, or manages, except that a lease agreement executed after the effective date of this section may not prohibit a tenant from lawfully possessing and consuming marijuana by means other than smoking.

(5) The enactment of this section and all concurrent amendments to section 1 of this Article shall have no effect upon any valid contract, claim, or cause of action instituted prior to the effective date of this section.]

(a.) No part of these Sections authorizes or permits any person to operate a vehicle, motorized or otherwise in any unsafe manner, whether or not Cannabis is involved.

(b.) No part of these Sections authorizes or permits any person to adversely affect properties, whether public or private while consuming and/or possessing Cannabis.

(c.) No part of these Sections authorizes or permits any person to operate commercial or industrial equipment in a dangerous manner, while employed or otherwise, whether or not Cannabis is involved.

(d.) Any activity that would be considered a violation of civil law apart from Cannabis will be considered a violation when Cannabis is incorporated.

14. Regulation of Marijuana.

(1) In carrying out the implementation of this section and as conditioned herein, the department shall have the authority to:

(a) Grant or refuse state licenses for the cultivation, manufacture, dispensing, and sale of marijuana; suspend, restrict, or revoke such licenses upon a violation of this section or a rule promulgated pursuant to this section; and impose any reasonable administrative penalty authorized by this section or any general law enacted or rule promulgated pursuant to this section, so long as any procedure related to a suspension or revocation includes a reasonable cure period, not less than thirty days, prior to the suspension or revocation, except in instances where there is a credible and imminent threat to public health or public safety;

(b) Promulgate rules and emergency rules necessary for the proper regulation and control of the cultivation, manufacture, dispensing, and sale of marijuana and for the enforcement of this section so long as such rules are reasonable and not unduly burdensome;

(c) Develop such forms, certificates, licenses, identification cards, and applications as are necessary for, or reasonably related to, the administration of this section or any of the rules promulgated under this section;

(d) Require a seed-to-sale tracking system that tracks marijuana from either the seed or immature plant stage until the marijuana or marijuana-infused product is sold to a qualified patient, primary caregiver, or consumer to ensure that no marijuana grown by a medical marijuana cultivation facility, comprehensive marijuana cultivation facility, or microbusiness wholesale facility, or manufactured by a medical marijuana-infused products manufacturing facility, a comprehensive marijuana-infused products manufacturing facility, or a microbusiness wholesale facility is sold or otherwise transferred to a consumer, qualified patient, or primary caregiver except by a medical marijuana dispensary facility, a comprehensive dispensary facility, or a microbusiness dispensary facility. The department shall certify all commercially available tracking systems that are compliant with its tracking standards and issue standards for the creation or use of other systems by licensees;

(e) Issue standards for the secure transportation of marijuana and marijuana-infused products. The department shall certify entities that demonstrate compliance with its transportation standards to transport marijuana and marijuana-infused products to or from a comprehensive facility, medical facility, microbusiness facility, another entity with a transportation certification, or any entity licensed pursuant to paragraph (g) of this subdivision. The department shall develop or adopt from any other governmental agency such safety and security standards as are reasonably necessary for the transportation and temporary storage of marijuana and marijuana-infused products. Any entity licensed or certified pursuant to this section shall be allowed to transport its own inventory and products in compliance with department transportation rules and store marijuana and marijuana-infused products for the purposes related to transportation in compliance with department regulations on secure storage of marijuana and marijuana-infused products;

(f) Promulgate rules and emergency rules specific to the licensing, regulation, and oversight of marijuana microbusiness facilities;

(g) Provide for the issuance of additional types or classes of licenses to operate marijuana-related businesses that:

- a. Allow for only transportation, delivery, or storage of marijuana; or
- b. Are intended to facilitate scientific research or education.

(h) Prepare and transmit annually a publicly available report accounting to the governor, the general assembly, and the public for the efficient discharge of all responsibilities assigned to the department under this section. The report shall provide aggregate data for each type of license (medical, comprehensive, and microbusiness) and facility (dispensary, cultivation, manufacturers, wholesalers). Only non-identifying information shall be provided regarding any marijuana facility owners;

(i) Establish a lottery selection process to select comprehensive facility licenses, certificate holders, marijuana microbusiness licensees, but not medical facility licensees that are converting to comprehensive licenses pursuant to this subsection. To become eligible for any license lottery selection process, an owner cannot have pleaded guilty or been found guilty of a disqualifying felony, as that term is defined in subsection 9 of this section.

(j) In developing a lottery selection process to award licenses and certificates, the department may consult or contract with other public agencies with relevant expertise.

(k) While not required as a prerequisite to participation in a comprehensive license lottery, every comprehensive license applicant shall submit to the department a voluntary plan to promote and encourage participation in the regulated marijuana industry by people from communities that have been disproportionately impacted by marijuana prohibition. The plan may include strategies to address geographical defined communities that have been disproportionately impacted by marijuana prohibition; provide for ownership opportunities for disproportionately impacted communities; and provide for employment, supplier, and vendor opportunities for individuals and businesses in communities that have been disproportionately impacted by marijuana prohibition. If licensed, any voluntary applicant plan shall be enforceable by the department.

(l) Notwithstanding other grants of authority herein, neither the department nor any governmental body may restrict the production or use of marijuana and marijuana-infused products based solely upon THC content.

(m) Set a limit on the amount of marijuana that may be purchased in a single transaction provided that limit is not less than three ounces of dried, unprocessed marijuana, or its equivalent.

(n) Regulate the advertising and promotion of marijuana sales, but any such regulation shall be no more stringent than comparable state regulations on the advertising and promotion of alcohol sales.

(2) The department shall issue, at a minimum, the same number of comprehensive marijuana cultivation facility licenses as were authorized or issued for medical marijuana cultivation facilities under section 1 of this Article as of December 7, 2022, the same number of comprehensive marijuana-infused products manufacturing facility licenses as were authorized or issued for medical marijuana-infused products manufacturing facilities under section 1 of this Article as of December 7, 2022, the same number of comprehensive marijuana dispensary facility licenses with the same congressional distribution requirements as were authorized or issued for medical marijuana dispensary facilities under section 1 of this Article as of December 7, 2022, in addition to the minimum number of marijuana microbusiness licenses as are required under this section. The department may lift or ease any limit on the number of licensees or certificate holders in order to meet the demand for marijuana in the state and to ensure a competitive market while also preventing an over-concentration of marijuana facilities within the boundaries of any particular local government.

(3) If comprehensive facility licenses become available because the number of total issued licenses in any respective category falls below the minimum required under this section or the department determines more comprehensive facility licenses are necessary to meet the requirements of subdivision (2) of this subsection, the department shall award by lottery at least fifty percent of any new licenses available to satisfy the minimum requirement to applicants who are owners of a marijuana microbusiness facility that has been in operation for at least one year and is in good standing with the department and is otherwise qualified for the license.

(4) The department may issue any rules or emergency rules necessary for the implementation and enforcement of this section and to ensure the right to, availability, and safe use of marijuana by consumers. In developing such rules or emergency rules, the department may consult or contract with other public agencies. In addition to any other rules or emergency rules necessary to carry out the mandates of this section, the department shall issue rules or emergency rules relating to the following subjects:

- (a) Procedures for issuing a license and for renewing, suspending, and revoking a license, so long as any procedure related to a suspension or revocation includes a reasonable cure period, not less than thirty days, prior to the suspension or revocation, except in instances where there is a credible and imminent threat to public health or public safety;
- (b) Requirements and standards for safe cultivation, processing, and distribution of marijuana and marijuana-infused products by marijuana facilities, including health standards to ensure the safe preparation of marijuana-infused products;
- (c) Testing, packaging, and labeling standards, procedures, and requirements for marijuana and marijuana-infused products and a requirement that a representative sample of marijuana be tested by a marijuana testing facility to ensure public health;
- (d) Labeling standards that protect public health by requiring the listing of pharmacologically active ingredients, including, but not limited to, tetrahydrocannabinol (THC), cannabidiol (CBD), and other cannabinoid content, the THC and other cannabinoid amount in milligrams per serving, the number of servings per package, and quantity limits per sale to comply with the allowable possession amount;
- (e) Requirements that packaging and labels shall not be made to be attractive to children, required warning labels, and that marijuana and marijuana-infused products be sold in resealable, child-resistant packaging to protect public health;
- (f) Security requirements, including lighting, physical security, and alarm requirements, and requirements for securely transporting marijuana between marijuana facilities;
- (g) Record keeping requirements for marijuana facilities and monitoring requirements to track the transfer of marijuana by licensees;
- (h) A plan to promote and encourage ownership and employment in the marijuana industry by people from political subdivisions and districts that are economically distressed and to positively impact those political subdivisions and districts;
- (i) Administrative penalties as authorized by this section for failure to comply with any rule promulgated pursuant to this section or for any violation of rules and regulations adopted pursuant to this section by a licensee, including authorized administrative fines and suspension, revocation, or restriction of a license. The licensee may choose to challenge any penalties imposed by the department through the administrative hearing commission, or its successor entity. Pursuant to section 536.100, RSMo, or its successor provisions, any licensee who has exhausted all administrative remedies provided by law and who is aggrieved by a final decision in a contested case is entitled to judicial review;
- (j) Reporting and transmittal of tax payments required under this section;
- (k) Authorization for the department of revenue to have access to licensing information to ensure tax payment and the effective administration of this section; and
- (l) Such other matters as are necessary for the fair, impartial, stringent, and comprehensive administration of this section.
- (5) The department shall issue rules or emergency rules for a marijuana and marijuana-infused products independent testing and certification program for marijuana facility licensees and requiring licensees to test marijuana using one or more impartial, independent laboratory or laboratories to ensure, at a minimum, correct labeling, potency measurement, and that products sold for human consumption do not contain contaminants that are potentially injurious to public health.
- (6) The department shall issue rules or emergency rules to provide for the certification of and standards for marijuana testing facilities, including the requirements for equipment and qualifications for personnel, but shall not require certificate holders to have any federal agency licensing or have any relationship with a federally licensed testing facility. No marijuana testing facility shall be owned by an entity or entities under substantially common control, ownership, or management as a marijuana cultivation facility, marijuana-infused products manufacturing facility, marijuana microbusiness facility, or marijuana dispensary facility.
- (7) All public records produced or retained pursuant to this section are subject to the general provisions of the Missouri Sunshine Law, chapter 610, RSMo, or its successor provisions. Notwithstanding the foregoing, public records containing proprietary business information obtained from an applicant or licensee shall be closed. The applicant or licensee shall label business information it believes to be proprietary prior to submitting it to the department. Proprietary business information shall include sales information, financial records, tax returns, credit reports, license applications, cultivation information unrelated to product safety, testing results unrelated to product safety, site security information and plans, and individualized consumer information. The presence of proprietary business information shall not justify the closure of public records:
- Identifying the applicant or licensee;
 - Relating to any citation, notice of violation, tax delinquency, or other enforcement action;
 - Relating to any public official's support or opposition relative to any applicant, licensee, or their proposed or actual operations;
 - Where disclosure is reasonably necessary for the protection of public health or safety; or
 - That are otherwise subject to public inspection under applicable law.
- (8) Within one hundred and eighty days of the effective date of this section, the department shall make available to the public license application forms and application instructions for marijuana microbusiness facilities. Within two hundred and seventy days of the effective date of this section, the department shall start accepting such applications from applicants.
- (9) An entity may apply to the department for and obtain one or more licenses to grow marijuana as a comprehensive marijuana cultivation facility. Each facility in operation shall require a separate license, but multiple licenses may be utilized in a single facility. Each indoor facility utilizing artificial lighting may be limited by the department to thirty thousand square feet of flowering plant canopy space. Each outdoor facility utilizing natural lighting may be limited by the department to two thousand eight hundred flowering plants. Each greenhouse facility using a combination of natural and artificial lighting may be limited by the department, at the election of the licensee, to two thousand eight hundred flowering plants or thirty thousand square feet of flowering plant canopy. The license shall be valid for three years from its date of issuance and shall be renewable, except for good cause. The department shall charge each applicant a non-refundable fee of twelve thousand dollars per license application or renewal for all applicants filing an application within three years of the effective date of this section and shall charge each applicant a non-refundable fee of five thousand dollars per license application or renewal thereafter. Once granted, the department shall charge each licensee an annual fee of twenty-five thousand dollars per facility license. Application and license fees shall be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency. An entity may not be an owner of more than ten percent of the total marijuana cultivation facility licenses outstanding under both sections 1 and 2 of this Article at any given time, rounded down to the nearest whole number.
- (10) An entity may apply to the department for and obtain one or more licenses to operate a comprehensive marijuana dispensary facility. Each facility in operation shall require a separate license. A license shall be valid for three years from its date of issuance and shall be renewable, except for good cause. The department shall charge each applicant a non-refundable fee of seven thousand dollars per license application or renewal for each applicant filing an application within three years of the effective date of this section and shall charge each applicant a non-refundable fee of three thousand dollars per license application or renewal thereafter. Once granted, the department shall charge each licensee an annual fee of ten thousand dollars per facility license. Application and license fees shall be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency. An entity may not be an owner of more than ten percent of the total marijuana dispensary facility licenses outstanding under both sections 1 and 2 of this Article at any given time, rounded down to the nearest whole number.
- (11) An entity may apply to the department for and obtain one or more licenses to operate a comprehensive marijuana-infused products manufacturing facility. Each facility in operation shall require a separate license. A license shall be valid for three years from its date of issuance and shall be renewable, except for good cause. The department shall charge each applicant a non-refundable fee of seven thousand dollars per license application or renewal for each applicant filing an application within three years of the effective date of this section and shall charge each applicant a non-refundable fee of three thousand dollars per license application or renewal thereafter. Once granted, the department shall charge each licensee an annual fee of ten thousand dollars per facility license. Application and license fees shall be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency. An entity may not be an owner of more than ten percent of the total marijuana-infused products manufacturing facility licenses outstanding under both sections 1 and 2 of this Article at any given time, rounded down to the nearest whole number.
- (12) An entity may apply to the department for and obtain only one license to operate a marijuana microbusiness facility, which may be either a microbusiness dispensary facility or a microbusiness wholesale facility. A marijuana microbusiness facility licensee may engage in all of the activities allowed under the license or it may apply for and engage in a subset of the activities allowed if the applicant or license holder so chooses. A microbusiness wholesale facility may cultivate, process, manufacture, transport, and sell marijuana and marijuana-infused products to any other marijuana microbusiness facility. A microbusiness dispensary facility licensee may acquire from any other microbusiness facility, process, package, deliver, and sell marijuana and marijuana-infused products to any other marijuana microbusiness facility, or directly to qualified patients, their primary caregiver, or consumers. A marijuana microbusiness license shall be valid for three years from its date of issuance and shall be renewable, except for good cause. The department shall charge each applicant a fee of one thousand five hundred dollars per license application and for each subsequent license renewal application thereafter. Any applicant that meets the criteria to apply for a marijuana microbusiness facility license but is not chosen by the lottery system may have their application fee refunded. Once granted, the department shall charge each licensee an annual fee of one thousand five hundred dollars per facility license, but there shall be no annual fee assessed for the first year of licensure. Application and license fees shall be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency. An entity may not be an owner of more than one marijuana microbusiness facility license. An owner of a marijuana microbusiness facility may apply for a license or licenses for other marijuana or medical marijuana facilities under this Article. If granted one or more of these licenses, the marijuana microbusiness facility owner shall transition to other licensed operations on a reasonably practical timetable established by the department, and surrender its marijuana microbusiness facility license to the department for issuance to an applicant for a marijuana microbusiness facility. In addition to other requirements established by this section, an applicant for a marijuana microbusiness license shall be majority owned by individuals who each meet at least one of the following qualifications:
- Have a net worth of less than \$250,000 and have had an income below two hundred and fifty percent of the federal poverty level, or successor level, as set forth in the applicable calendar year's federal poverty income guidelines published by the U.S. Department of Health and Human Services or its successor agency, for at least three of the ten calendar years prior to applying for a marijuana microbusiness facility license; or
 - Have a valid service-connected disability card issued by the United States Department of Veterans Affairs, or successor agency; or
 - Be a person who has been, or a person whose parent, guardian or spouse has been arrested for, prosecuted for, or convicted of a non-violent marijuana offense, except for a conviction involving provision of marijuana to a minor, or a conviction of driving under the influence of marijuana. The arrest, charge, or conviction must have occurred at least one year prior to the effective date of this section; or
 - Reside in a ZIP code or census tract area where:
 - Thirty percent or more of the population lives below the federal poverty level; or
 - The rate of unemployment is fifty percent higher than the state average rate of unemployment; or

- c. The historic rate of incarceration for marijuana-related offenses is fifty percent higher than the rate for the entire state; or
 - (e) Graduated from a school district that was unaccredited, or had a similar successor designation, at the time of graduation, or has lived in a zip code containing an unaccredited school district, or similar successor designation, for three of the past five years.
- (13) The department may restrict the aggregate number of licenses granted for marijuana microbusiness facilities, provided, however, that the number may not be limited to fewer than the following number of licenses in each United States congressional district in the state of Missouri pursuant to the map of each of the eight congressional districts as drawn and effective on December 6, 2018:
- (a) Six, once the department begins issuing licenses for marijuana microbusiness facilities under this subsection, at least two of which shall be a microbusiness dispensary facility, and at least four of which will be a microbusiness wholesale facility. The department shall issue the first group of microbusiness licenses no later than three hundred days after the effective date of this section;
 - (b) An additional six following the first two hundred and seventy days after the department begins issuing licenses for marijuana microbusiness facilities under this subsection, at least two of which shall be a microbusiness dispensary facility, and at least four of which will be a microbusiness wholesale facility, but only after the chief equity officer, or his or her designee, conducts a review and certifies that previous microbusiness licenses were awarded to and are being operated by eligible applicants in good standing; and
 - (c) An additional six after the first five hundred and forty-eight days after the department begins issuing licenses for marijuana microbusiness facilities under this subsection, at least two of which shall be a microbusiness dispensary facility, and at least four of which will be a microbusiness wholesale facility, but only after the chief equity officer, or his or her designee, conducts a review and certifies that previous microbusiness licenses were awarded to and are being operated in good standing by eligible applicants.
- Future changes to the boundaries or the number of congressional districts shall have no impact on microbusiness license numbers or distribution. The eligibility review set forth in this subdivision shall be conducted by the chief equity officer within sixty days of issuance of the licenses. The chief equity officer shall publish in a manner available to the public the results of the review that contains only aggregate information on licensee eligibility criteria.
- (14) Within 60 days after the effective date of this section, the department shall appoint a chief equity officer. The chief equity officer shall assist with the development and implementation of programs to inform the public of the opportunities available to those people who meet the criteria set forth in paragraph (12) of this subsection. The chief equity officer shall establish public education programming and targeted technical assistance programming dedicated to providing communities that have been impacted by marijuana prohibition with information detailing the licensing process and informing individuals of the support and resources that the office can provide to individuals and entities interested in participating in activity licensed under this Article. The chief equity officer shall provide a report to the department, no later than January 1, 2024, and annually thereafter, of their and the department's activities in ensuring compliance with the applicant criteria set forth in paragraph (12) of this subsection, and the department shall provide such report to the legislature. The chief equity officer may only be removed for cause and the department shall not interfere with the officer's lawful official activities under this section.
- (15) Any medical marijuana cultivation facility, medical marijuana dispensary facility, and medical marijuana-infused products manufacturing facility, holding an active facility license under section 1 of this Article shall have the right to convert their license to a comprehensive marijuana license, and any entity certified by the department to conduct medical marijuana testing, transportation or seed-to-sale tracking, as of the effective date of this section shall be deemed certified to conduct those activities with respect to all marijuana;
- (16) Upon the effective date of this section, any existing medical facility licensee may request its medical facility license convert to that of a comprehensive facility license. Conversion requests not processed within sixty days of department receipt shall be deemed approved.
- (17) With the exception of microbusiness licenses, and consistent with any limitations set forth in this section, for the first five hundred and forty-eight days after the department begins issuing licenses for marijuana facilities under this section, the department may only issue a license:
- (a) For a comprehensive marijuana cultivation facility to an entity holding a medical marijuana cultivation facility license issued pursuant to section 1 of this Article seeking to convert its licensure to that of a comprehensive marijuana cultivation facility at the same location;
 - (b) For a comprehensive marijuana dispensary facility to an entity holding a medical marijuana dispensary facility license issued pursuant to section 1 of this Article seeking to convert its licensure to that of a comprehensive marijuana dispensary facility at the same location; and
 - (c) For a comprehensive marijuana-infused products manufacturing facility to an entity holding a medical marijuana-infused products manufacturing facility license issued pursuant to section 1 of this Article seeking to convert its licensure to that of a comprehensive marijuana-infused products manufacturing facility at the same location.
- (18) The department shall issue a license to each request for a conversion to a comprehensive marijuana facility license pursuant to subdivision (15) of this subsection if the applicant is in good standing with the department.
- (19) Notwithstanding the provisions of section 1 of this Article, if an existing medical marijuana dispensary facility is located in a jurisdiction that prohibits non-medical retail marijuana facilities under this section, or is otherwise prevented from operating a comprehensive marijuana dispensary facility at the same location as the existing medical marijuana dispensary facility, the medical marijuana dispensary facility may apply to the department for a comprehensive marijuana dispensary license pursuant to subdivision (15) of this subsection in a new location within the same congressional district, and such application shall be granted so long as the new location meets all the requirements of this section and department regulations.
- (20) In addition to the foregoing, if the department has reason to believe that the conversion of a medical facility into a comprehensive facility might limit or restrict access to an adequate supply of marijuana and marijuana-infused products at a reasonable cost to qualifying patients, as defined in section 1 of this Article, the department may request a plan from the medical facility licensee which explains how the applicant would serve both the medical and adult-use markets, while maintaining adequate supply at a reasonable cost to qualifying patients.
- (21) Comprehensive marijuana facilities licensed to distribute marijuana, marijuana-infused products, and marijuana accessories directly to consumers pursuant to this section may also distribute marijuana, marijuana-infused products, and marijuana accessories to qualifying patients and primary caregivers consistent with section 1 of this Article and department regulation.
- (22) The department may charge a fee not to exceed two thousand five hundred dollars for any certification issued pursuant to this section. This fee limitation shall be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency.
- (23) Within thirty days of December 8, 2022, the department shall make available to the public application forms and application instructions for personal cultivation registration cards. Within sixty days of December 8, 2022, the department shall begin accepting applications for such registration cards.
- (24) Except for good cause, a person at least twenty-one years of age may obtain a registration card from the department to cultivate up to six flowering marijuana plants, six nonflowering marijuana plants (over fourteen inches tall), and six clones (plants under fourteen inches tall) for non-commercial use, provided:
- (a) The plants and any marijuana produced by the plants in excess of three ounces are kept at one private residence, are in a locked space, and are not visible by normal, unaided vision from a public place; and
 - (b) Not more than twelve flowering marijuana plants are kept in or on the grounds of a private residence at one time.
- The card shall be valid for twelve months from its date of issuance and shall be renewable. The department shall charge an annual fee for the card of one hundred dollars, with such rate to be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency.
- (25) All marijuana sold in Missouri pursuant to this section shall be cultivated in Missouri.
- (26) All marijuana-infused products sold in Missouri pursuant to this section shall be manufactured in Missouri.
- (27) The denial of a license or license renewal by the department shall be appealable. The applicant may choose to challenge any denial by the department through the administrative hearing commission, or successor entity. Pursuant to section 536.100, RSMo, or its successor provisions, any licensee who has exhausted all administrative remedies provided by law and who is aggrieved by a final decision in a contested case is entitled to judicial review.
- (28) No elected official shall interfere directly or indirectly with the department's obligations and activities under this section.
- (29) To minimize the potential for undue political influence in awarding licenses, the department shall review license applications using reasonable safeguards that ensure the identity of the applicant and its principal owners, officers, and managers are not identified to the application reviewer.
- (30) To ensure the consistent protection of public health and public safety, the department shall have the sole authority within the state of Missouri to issue licenses for marijuana facilities and certifications pursuant to this section.
- (31) The department shall not have the authority to promulgate, apply, or enforce any rule or regulation that is unduly burdensome or act to undermine the purposes of this section.

5. Local Control.

- (1) (a) Except as provided in this subsection, a local government may prohibit the operation of all microbusiness dispensary facilities or comprehensive marijuana dispensary facilities regulated under this section from being located within its jurisdiction either through referral of a ballot question to the voters by the governing body or through citizen petition, provided that citizen petitions are otherwise generally authorized by the laws of the local government. Such a ballot question shall be voted on only during the regularly scheduled general election held on the first Tuesday after the first Monday in November of a presidential election year, starting in 2024, thereby minimizing additional local governmental cost or expense. A citizen petition to put before the voters a ballot question prohibiting microbusiness dispensary facilities or comprehensive marijuana dispensary facilities shall be signed by at least five percent of the qualified voters in the area proposed to be subject to the

prohibition, determined on the basis of the number of votes cast for governor in such locale at the last gubernatorial election held prior to the filing of the petition. The local government shall count the petition signatures and give legal notice of the election as provided by applicable law. Denial of ballot access shall be subject to judicial review.

(b) Whether submitted by the governing body or by citizen's petition, the question shall be submitted in the following form: "Shall (insert name of local government) ban all non-medical microbusiness dispensary facilities and comprehensive marijuana dispensary facilities from being located within (insert name of local government and, where applicable, its "unincorporated areas") and forgo any additional related local tax revenue? () Yes () No." If at least sixty percent of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the ban shall go into effect as provided by law. If a question receives less than the required sixty percent, then the jurisdiction shall have no power to ban non-medical microbusiness dispensary facilities or comprehensive marijuana facilities regulated under this section, unless voters at a subsequent general election on the first Tuesday after the first Monday in November of a presidential election year approve a ban on non-medical retail marijuana facilities submitted to them by the governing body or by citizen petition.

(2) (a) A local government may repeal an existing ban by its own ordinance or by a vote of the people, either through referral of a ballot question to the voters by the governing body or through citizen petition, provided that citizen petitions are otherwise generally authorized by the laws of the local government. In the case of a referral of a ballot question by the governing body or citizen petition to repeal an existing ban, the question shall be voted on only during the regularly scheduled general election held on the first Tuesday after the first Monday in November of a presidential election year. A citizen petition to put before the voters a ballot question repealing an existing ban shall be signed by at least five percent of the qualified voters in the area subject to the ban, determined on the basis of the number of votes cast for governor in such locale at the last gubernatorial election held prior to the filing of the petition. The local government shall count the petition signatures and give legal notice of the election as provided by applicable law. Denial of ballot access shall be subject to judicial review.

(b) Whether submitted by the governing body or by citizen's petition, the question shall be submitted in the following form: "Shall (insert name of local government) allow non-medical microbusiness dispensary facilities and comprehensive marijuana dispensary facilities to be located within (insert name of local government and where applicable, its "unincorporated areas") as regulated by state law? () Yes () No." If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the ban shall be repealed.

(3) The only local government ordinances and regulations that are binding on a marijuana facility are those of the local government where the marijuana facility is located.

(4) Unless allowed by the local government, no new marijuana facility shall be initially sited within one thousand feet of any then-existing elementary or secondary school, child day-care center, or church. In the case of a freestanding facility, the distance between the facility and the school, daycare, or church shall be measured from the external wall of the facility structure closest in proximity to the school, daycare, or church to the closest point of the property line of the school, daycare, or church. If the school, daycare, or church is part of a larger structure, such as an office building or strip mall, the distance shall be measured to the entrance or exit of the school, daycare, or church closest in proximity to the facility. In the case of a facility that is part of a larger structure, such as an office building or strip mall, the distance between the facility and the school, daycare, or church shall be measured from the property line of the school, daycare, or church to the facility's entrance or exit closest in proximity to the school, daycare, or church. If the school, daycare, or church is part of a larger structure, such as an office building or strip mall, the distance shall be measured to the entrance or exit of the school, daycare, or church closest in proximity to the facility. Measurements shall be made along the shortest path between the demarcation points that can be lawfully traveled by foot.

(5) Except as otherwise provided in this subsection, no local government shall prohibit marijuana facilities or entities with a transportation certification either expressly or through the enactment of ordinances or regulations that make their operation unduly burdensome in the jurisdiction. However, local governments may enact ordinances or regulations not in conflict with this section, or with regulations enacted pursuant to this section, governing the time, place, and manner of operation of such facilities in the locality. A local government may establish civil penalties for violation of an ordinance or regulations governing the time, place, and manner of operation of a marijuana facility or entity holding a transportation certification that may operate in such locality.

(6) Local governments may enact ordinances or regulations not in conflict with this section, or with regulations enacted pursuant to this section, governing:

(a) The time and place where marijuana may be smoked in public areas within the locality; and

(b) The consumption of marijuana-infused products within designated areas, including the preparation of culinary dishes or beverages by local restaurants for on-site consumption on the same day it is prepared.

6. Taxation and Reporting.

(1) A tax shall be levied upon the retail sale of non-medical marijuana sold to consumers at marijuana facilities licensed pursuant to this section within the state. The tax shall be at a rate of six percent of the retail price. The tax shall be collected by each licensed retail marijuana facility and paid to the department of revenue. After retaining no more than two percent of the total tax collected or its actual collection costs, whichever is less, amounts generated by the marijuana tangible personal property retail sales tax levied in this section shall be deposited by the department of revenue into the veterans, health, and community reinvestment fund created under this subsection. Licensed entities making non-medical retail sales within the state shall be allowed approved credit for returns provided the tax was paid on the returned item and the purchaser was given the refund or credit. This tax shall not apply to medical marijuana dispensed to a registered qualifying patient or caregiver.

(2) There is hereby created in the state treasury the "Veterans, Health, and Community Reinvestment Fund" which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund. Notwithstanding any other provision of law, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The commissioner of administration is authorized to make cash operating transfers to the fund for purposes of meeting the cash requirements of the department in advance of it receiving application, licensing, and tax revenue, with any such transfers to be repaid as provided by law. The fund shall be a dedicated fund and shall be distributed as follows:

(a) First, as determined by appropriation, to the department an amount necessary for the department to carry out its responsibilities under this section, including repayment of any cash operating transfers, payments made through contract or agreement with other state and public agencies necessary to carry out this section, and a reserve fund to maintain a reasonable working cash balance for the purpose of carrying out this section;

(b) Second, as determined by appropriation, to governmental entities in amounts necessary for carrying out responsibilities in the expungement of criminal history records under this section;

(c) Next, the remaining fund balance shall be distributed in thirds as follows:

a. One-third of the remainder of the fund balance shall be transferred to the Missouri veterans commission and allied state agencies, as determined by appropriation, exclusively for health care and other services for military veterans and their dependent families;

b. One-third of the remainder of the fund balance to the department to provide grants to agencies and not-for-profit organizations, whether government or community-based, to increase access to evidence-based low-barrier drug addiction treatment, prioritizing medically proven treatment and overdose prevention and reversal methods and public or private treatment options with an emphasis on reintegrating recipients into their local communities, to support overdose prevention education, and to support job placement, housing, and counseling for those with substance use disorders. Agencies and organizations serving populations with the highest rates of drug-related overdose shall be prioritized to receive the grants; and

c. One-third of the remainder of the fund balance to the Missouri public defender system. Any moneys credited to the Missouri public defender system shall be used only for legal assistance for low-income Missourians, shall not be diverted to any other purpose.

(d) All monies from the taxes and fees authorized hereunder shall provide new and additional funding for the purposes enumerated above and shall not replace existing funding.

(e) The unexpended balance existing in the fund shall be exempt from the provisions of section 33.080, RSMo, or its successor provisions, relating to the transfer of unexpended balances to the general revenue fund.

(3) For all retail sales of marijuana, a record shall be kept by the seller of all amounts and types of marijuana involved in the sale and the total amount of money involved in the sale, including itemizations, taxes collected, and grand total sale amounts. All such records shall be kept on the premises in a readily available format and be made available for review by the department and the department of revenue upon request. Such records shall be retained for five years from the date of the sale.

(4) The tax levied pursuant to this subsection is separate from and in addition to any general state and local sales and use taxes that apply to retail sales, which shall continue to be collected and distributed as provided by general law.

(5) Pursuant to Article III, Section 49 of this Constitution, the governing body of any local government is authorized to impose, by ordinance or order, an additional sales tax in an amount not to exceed three percent on all tangible personal property retail sales of adult use marijuana sold in such political subdivision. The tax authorized by this paragraph shall be in addition to any and all other tangible personal property retail sales taxes allowed by law, except that no ordinance or order imposing a tangible personal property retail sales tax under the provisions of this paragraph shall be effective unless the governing body of the political subdivision submits to the voters of the political subdivision, at a municipal, county or state general, primary or special election, a proposal to authorize the governing body of the political subdivision to impose a tax. Any additional local retail sales tax shall be collected pursuant to general laws for the collection of local sales taxes.

(6) Except as authorized in this Article, no additional taxes shall be imposed on the sale of marijuana.

(7) The fees and taxes provided for in this section shall be fully enforceable notwithstanding any other provision in this Constitution purportedly prohibiting or restricting the taxes and fees provided for herein.

(8) For taxpayers authorized to do business pursuant to this Article, the amount that would have been deducted in the computation of federal taxable income pursuant to 26 U.S.C. Section 280E of the Internal Revenue Code as in effect on January 1, 2021, or successor provisions, but is disallowed because cannabis is a controlled substance under federal law, shall be subtracted from the taxpayer's federal adjusted gross income, in determining the taxpayer's Missouri adjusted gross income.] The provisions of Section 1 and 2 shall supercede all laws and regulations, city, county, state and Federal that pertain to Cannabis in Missouri.

7. Additional Protections.

(1) A marijuana testing facility shall not be subject to civil or criminal prosecution under Missouri law, denial of any right or privilege, civil or administrative penalty or sanction, or disciplinary action by any accreditation or licensing board or commission for providing laboratory testing services that relate to marijuana consistent with this section and otherwise meeting legal standards of professional conduct.

(2) Notwithstanding any provision of Article V to the contrary, an attorney shall not be subject to disciplinary action by the Supreme Court of Missouri, the office of chief disciplinary counsel, the state bar association, any state agency or any professional licensing body for any of the following:

- (a) Owning, operating, investing in, being employed by, or contracting with prospective or licensed marijuana testing facilities, marijuana cultivation facilities, marijuana dispensary facilities, marijuana-infused products manufacturing facilities, marijuana microbusiness facilities, or transportation certificate holders;
 - (b) Counseling, advising, and/or assisting a client in conduct permitted by Missouri law that may violate or conflict with federal or other law, as long as the attorney advises the client about that federal or other law and its potential consequences;
 - (c) Counseling, advising, and/or assisting a client in connection with applying for, owning, operating, or otherwise having any legal, equitable, or beneficial interest in marijuana testing facilities, marijuana cultivation facilities, marijuana dispensary facilities, marijuana-infused products manufacturing facilities, marijuana microbusiness facilities, or transportation certificates; or
 - (d) Counseling, advising or assisting a qualifying patient, primary caregiver, physician, nurse practitioner, health care provider, consumer, or other client related to activity that is no longer subject to criminal penalties under Missouri law pursuant to this Article.
- (3) Actions and conduct by marijuana facilities licensed or otherwise certified by the department, or their employees or agents, as permitted by this section and in compliance with department regulations and other standards of legal conduct, shall not be subject to criminal or civil liability or sanctions under Missouri law, except as provided for by this section.
- (4) The department may not promulgate a rule that requires a consumer to provide a marijuana facility with identifying information other than identification to determine the consumer's age.

(5) It is the public policy of the state of Missouri that contracts related to marijuana that are entered into by marijuana facilities and those who allow property to be used by those entities should be enforceable. It is the public policy of the state of Missouri that no contract entered into by marijuana facilities, or by a person who allows property to be used for activities that are exempt from state criminal penalties by this section, shall be unenforceable on the basis that activities related to marijuana may be prohibited by federal law.

(6) Prior to requesting a search or arrest warrant relating to cultivation of marijuana plants, a state or local law enforcement official shall verify with the department whether the targeted person holds a registration card allowing for cultivation of flowering marijuana plants under this section, and shall inform the issuing authority when making the warrant request. Evidence of marijuana alone, without specific evidence indicating that the marijuana is outside of what is lawful for medical or adult use, cannot be the basis for a search of a patient or non-patient, including their home, vehicle or other property. Lawful marijuana related activities cannot be the basis for a violation of parole, probation, or any type of supervised release. State and local law enforcement shall have access to such department information as is necessary to confirm whether the targeted person holds a registration card. Each time a state or local law enforcement officer executes a search warrant authorizing entry upon premises for an alleged marijuana offense, the officer must first knock or announce their presence or purpose prior to entering the premises.

- (7) (a) After executing a search warrant for an alleged marijuana offense, or conducting a warrantless search for an alleged marijuana offense, the officer shall report the following information to the agency that employs the officer:
- a. The reasons for the warrant or, in the case of a warrantless search, a detailed account of either the probable cause or exigent circumstances, if any, which lead to the warrantless search;
 - b. Whether any marijuana was discovered during the course of the search;
 - c. Whether any marijuana was seized during the search, and if so, the amount seized;
 - d. Whether any other contraband was discovered or seized in the course of the search, and if seized, a description of the contraband;
 - e. A description of the tactics used by law enforcement to enter the property;
 - f. Whether an arrest was made as a result of the search; and
 - g. If an arrest was made, the crime suspected.

(b) Each law enforcement agency shall compile the data described in paragraph (a) of this subdivision for the calendar year into a report and shall submit the report to the attorney general no later than March first of the following calendar year. The attorney general shall determine the format that all law enforcement agencies shall use to submit the report.

(c) The attorney general shall submit a summary of the annual reports of law enforcement agencies to the governor, the general assembly, and each law enforcement agency no later than June first of each year. The summary shall include the total number of such warrants executed by each agency in the previous calendar year for alleged marijuana offenses, and a compilation of the information reported by law enforcement agencies pursuant to paragraph (b) of this subdivision.

8. Legislation.

Nothing in this section shall limit the general assembly from enacting laws consistent with the purposes and provisions of this section.

9. Additional Provisions.

(1) No owner of a marijuana facility or entity with a transportation certification shall be an individual with a disqualifying felony offense. A "disqualifying felony offense" is a violation of, and conviction or guilty plea to, state or federal law that is, or would have been, a felony under Missouri law, regardless of the sentence imposed, unless the department determines that:

- (a) The person's conviction was for a marijuana offense that has been expunged or is currently eligible for expungement under this section; or
- (b) The person's conviction was for a non-violent crime for which he or she was not incarcerated and that is more than five years old; or
- (c) More than five years have passed since the person was released from parole or probation, and he or she has not been convicted of any subsequent felony criminal offenses.

The department may consult with and rely on the records, advice, and recommendations of the attorney general and the department of public safety, or their successor entities, in carrying out the provisions of this subdivision.

(2) Owners licensed pursuant to this section shall submit fingerprints to the Missouri state highway patrol for the purpose of conducting a state and federal fingerprint-based criminal record check in accordance with U.S. Public Law 92-544, or its successor provisions. The Missouri state highway patrol, if necessary, shall forward the fingerprints to the Federal Bureau of Investigation (FBI) for the purpose of conducting a fingerprint-based criminal background check. Fingerprints shall be submitted pursuant to section ~~43,543~~, RSMo, or its successor provisions, and fees shall be paid pursuant to section ~~43,530~~, RSMo, or its successor provisions. Unless otherwise required by law, no individual shall be required to submit fingerprints more than once.

(3) No marijuana facility shall manufacture, package, or label marijuana or marijuana-infused products in a false or misleading manner. No person shall sell any product in a manner designed to cause confusion between marijuana or a marijuana-infused product and any product not containing marijuana. A violation of this subdivision shall be punishable by an appropriate and proportional department sanction, up to and including an administrative penalty of five thousand dollars and loss of license.

(4) No marijuana facility may sell edible marijuana-infused candy in shapes or packages that are attractive to children or that are easily confused with commercially sold candy that does not contain marijuana. A violation of this subdivision shall be punishable by an appropriate and proportional department sanction, up to and including an administrative penalty of five thousand dollars and loss of license.

(5) All marijuana and marijuana-infused products shall be sold in individual, child-resistant containers that are labeled with serving amounts, instructions for use, and estimated length of effectiveness. All marijuana and marijuana-infused products shall be sold in containers clearly and conspicuously labeled, as mandated by the department, as containing "Marijuana" or a "Marijuana-Infused Product". Violation of this subdivision shall subject the violator to department sanctions, including an administrative penalty of five thousand dollars.

(6) A marijuana facility may not allow cultivation, manufacturing, sale, or display of marijuana, marijuana-infused products, or marijuana accessories to be visible from a public place outside of the marijuana facility without the use of binoculars, aircraft, or other optical aids.

(7) A marijuana facility may not cultivate, manufacture, test, sell, or store marijuana at any location other than a physical address approved by the department and within an enclosed area that is secured in a manner that prevents access by persons not permitted by the marijuana facility to access the area.

(8) A marijuana facility shall secure every entrance to the facility so that access to areas containing marijuana is restricted to employees and other persons permitted by the marijuana facility to access the area and to agents of the department or state and local law enforcement officers and emergency personnel and shall secure its inventory and equipment during and after operating hours to deter and prevent theft of marijuana, marijuana-infused products, and marijuana accessories.

(9) No marijuana facility may refuse representatives of the department the right to inspect the licensed premises or to audit the books and records of the marijuana facility. A facility that holds licenses issued under sections 1 and 2 of this Article shall comply with inspection regulations and standards issued pursuant to both sections.

(10) No marijuana facility, or entity with a certification, shall assign, sell, give, lease, sublicense, or otherwise transfer its license or certificate to any other entity without the express consent of the department, not to be unreasonably withheld.

(11) Real and personal property used in the cultivation, manufacture, transport, testing, distribution, sale, and administration of marijuana for activities otherwise in compliance with this section shall not be subject to asset forfeiture solely because of that use.

(12) No person shall extract resins from marijuana using dangerous materials or combustible gases without a medical marijuana-infused products manufacturing facility license, marijuana-infused products manufacturing facility license, or a marijuana microbusiness wholesale facility license. Violation of this prohibition shall subject the violator to department sanctions, including an administrative penalty of one thousand dollars for an individual and ten thousand dollars for a facility licensee and, if applicable, loss of certificate or license for up to one year.

10. Personal Use of Marijuana.

(1) Subject to the limitations in subsection 3 of this section, the following acts by a person at least twenty-one years of age are not unlawful and shall not be an offense under state law or the laws of any local government within the state or be a basis to impose a civil fine, penalty, or sanction, or be a basis to detain, search, or arrest, or otherwise deny any right or privilege, or to seize or forfeit assets under state law or the laws of any local government:

(a) Purchasing, possessing, consuming, using, ingesting, inhaling, processing, transporting, delivering without consideration, or distributing without consideration three ounces or less of dried, unprocessed marijuana, or its equivalent;

(b) Possessing, transporting, planting, cultivating, harvesting, drying, processing, or manufacturing up to six flowering marijuana plants, six nonflowering marijuana plants (over fourteen inches tall), and six clones (plants under fourteen inches tall) provided the person is registered with the department for cultivation of marijuana plants under this section, provided:

- a. The plants and any marijuana produced by the plants in excess of three ounces are kept at one private residence, are in a locked space, and are not visible by normal, unaided vision from a public place; and
- b. Not more than twice the number of allowable plants under paragraph (b) of this subdivision are kept in or on the grounds of a private residence at one time.

(c) Assisting another person who is at least twenty-one years of age in, or allowing property to be used for, any of the acts permitted by this section; and

(d) Purchasing, possessing, using, delivering, distributing, manufacturing, transferring, or selling to persons twenty-one years of age or older marijuana accessories.

(2) A person who, pursuant to this section, cultivates marijuana plants that are visible by normal, unaided vision from a public place is subject to a civil penalty not exceeding two hundred and fifty dollars and forfeiture of the marijuana.

(3) A person who, pursuant to this section, cultivates marijuana plants that are not kept in a locked space is subject to a civil penalty not exceeding two hundred and fifty dollars and forfeiture of the marijuana.

(4) A person who smokes marijuana in a public place, other than in an area licensed for such activity by the authorities having jurisdiction over the licensing and/or permitting of said activity, is subject to a civil penalty not exceeding one hundred dollars.

(5) A person who is under twenty-one years of age who possesses, uses, ingests, inhales, transports, delivers without consideration or distributes without consideration three ounces or less of marijuana, or possesses, delivers without consideration, or distributes without consideration marijuana accessories is subject to a civil penalty not to exceed one hundred dollars and forfeiture of the marijuana. Any such person shall be provided the option of attending up to four hours of drug education or counseling in lieu of the fine.

(6) Subject to the limitations of this section, a person who possesses not more than twice the amount of marijuana allowed pursuant to this subsection, produces not more than twice the amount of marijuana allowed pursuant to this subsection, delivers without receiving any consideration or remuneration to a person who is at least twenty-one years of age not more than twice the amount of marijuana allowed by this subsection, or possesses with intent to deliver not more than twice the amount of marijuana allowed by this subsection:

(a) For a first violation, is subject to a civil infraction punishable by a civil penalty not exceeding two hundred and fifty dollars and forfeiture of the marijuana;

(b) For a second violation, is subject to a civil infraction punishable by a civil penalty not exceeding five hundred dollars and forfeiture of the marijuana;

(c) For a third or subsequent violation, is subject to a misdemeanor punishable by a fine not exceeding one-thousand dollars and forfeiture of the marijuana;

(d) A person under twenty-one years of age is subject to a civil penalty not to exceed two hundred and fifty dollars. Any such person shall be provided the option of attending up to eight hours of drug education or counseling in lieu of the fine; and

(e) In lieu of payment, penalties under this subsection may be satisfied by the performance of community service. The rate of pay-down associated with said service option will be the greater of \$15 or the minimum wage in effect at the time of judgment.

(7) (a) Any person currently incarcerated in a prison, jail or halfway house, whether by trial or open or negotiated plea:

- a. Who would not have been guilty of an adult or juvenile offense, had sections 1 and 2 of this Article been in effect at the time of the offense; or
- b. Who would have been guilty of a lesser adult or juvenile offense had sections 1 and 2 of this Article been in effect at the time of the offense; or

c. Who is serving a sentence for a marijuana offense which is a misdemeanor, a class E felony, or a class D felony, or successor designations, involving possession of three pounds or less of marijuana, excluding offenses involving distribution or delivery to a minor, any offenses involving violence, or any offense of operating a motor vehicle while under the influence of marijuana; may petition the sentencing court to vacate the sentence, order immediate release from incarceration and other supervision by the department of corrections, and the expungement of all government records of the case. Such expungement from all government records shall be granted for all of the person's applicable marijuana offenses, absent good cause for denial. The effect of such orders shall be to restore such person to the status the person occupied prior to such arrest, plea or conviction and as if such event had never taken place, and the conviction and sentence shall be vacated as legally invalid. No person for whom such order has been entered shall be held thereafter under any provision of any law to be guilty of perjury or otherwise giving a false statement by reason of the person's failure to recite or acknowledge such arrest, plea, trial, conviction, or expungement in response to any inquiry made of the person for any purpose whatsoever, and no such inquiry shall be made for information relating to an expungement. The court shall not assess any filing fee for these filings. The office of the state public defender shall prepare and make readily available and accessible a pleading form that may be filed pro se for this purpose. The circuit courts of the state shall also make readily available and accessible this pleading form. Within ninety days of the effective date of this section, the sentencing court shall complete the adjudication for all cases involving only misdemeanor marijuana offenses. Within one hundred and eighty days of the effective date of this section, the sentencing court shall complete the adjudication for all cases involving class E, or successor designation, felony marijuana offenses and, if applicable, any additional marijuana misdemeanor offenses by such offenders. Within two hundred and seventy days of the effective date of this section, the sentencing court shall complete the adjudication for all class D, or successor designation, felony cases involving three pounds or less of marijuana, as well as any lesser marijuana offenses by such offenders, if applicable. This shall not apply to offenses while operating a commercial motor vehicle as defined in 49 CFR 390.5, or its successor provisions, in interstate or intrastate transportation unless otherwise exempted as found in section 307.400, RSMo, or its successor provisions.

(b) Any person currently on probation or parole for a marijuana law violation, whether by trial or open or negotiated plea:

- a. Who would not have been guilty of an adult or juvenile offense, had sections 1 and 2 of this Article been in effect at the time of the offense; or
- b. Who would have been guilty of a lesser adult or juvenile offense had sections 1 and 2 of this Article been in effect at the time of the offense; or
- c. Who was convicted or plead guilty to a marijuana offense which is a misdemeanor, a class E felony, or a class D felony, or successor designations, involving the possession of three pounds or less of marijuana, excluding distribution or delivery to a minor or any offense of operating a motor vehicle while under the influence of marijuana; shall, upon the effective date of this section, have their sentence automatically vacated by the sentencing court, which shall order the immediate termination of supervision by the department of corrections, and the expungement of all government records of the case. Such expungement from all government records shall be granted for all of the person's applicable marijuana offenses, absent good cause for denial. The effect of such orders shall be to restore such person to the status the person occupied prior to such arrest, plea or conviction and as if such event had never taken place, and the conviction and sentence shall be vacated as legally invalid. No person for whom such order has been entered shall be held thereafter under any provision of any law to be guilty of perjury or otherwise giving a false statement by reason of the person's failure to recite or acknowledge such arrest, plea, trial, conviction, or expungement in response to any inquiry made of the person for any purpose whatsoever, and no such inquiry shall be made for information relating to an expungement. The court shall not assess any filing fee for these cases. This shall not apply to offenses while operating a commercial motor vehicle as defined in 49 CFR 390.5, or its successor provisions, in interstate or intrastate transportation unless otherwise exempted as found in section 307.400, RSMo, or its successor provisions.

(8) (a) Within six months of the effective date of this section, the circuit courts of this state shall order the expungement of the criminal history records of all misdemeanor marijuana offenses for any person who is no longer incarcerated or under the supervision of the department of corrections. Within twelve months of the effective date of this section, the circuit courts of this state shall order the expungement of criminal history records for all persons no longer incarcerated or under the supervision of the department of corrections but who have completed their sentence for any felony marijuana offenses and any marijuana offenses that would no longer be a crime after the effective dates of sections 1 and 2 of this Article, excluding distribution or delivery to a minor, any such offenses involving violence, or any offense of operating a motor vehicle while under the influence of marijuana. For all class A, class B and class C, or successor designations, felony marijuana offenses, and for all class D, or successor designation, felony marijuana offenses for possession of more than three pounds of marijuana, the circuit courts of this state shall order expungement of criminal history records upon the completion of the person's incarceration, including any supervised probation or parole. For the purposes of this subdivision, "criminal history record" means all information documenting an individual's contact with the criminal justice system, including data regarding identification, arrest or citation, arraignment, judicial disposition, custody, and supervision.

(b) An expungement order shall be legally effective immediately and the person whose record is expunged shall be treated in all respects as if he or she had never been arrested, convicted, or sentenced for the offense, and the conviction and sentence shall be vacated as legally invalid. The court shall issue an order to expunge all records and files related to the arrest, citation, investigation, charge, adjudication of guilt, criminal proceedings, and probation related to the sentence. The court shall provide notice of the expungement to the person who is the subject of the record at the person's last known address, the arresting agency, prosecuting attorneys, central state depository of criminal records, and any other entity that may have a record related to the order to expunge. The central state depository of criminal records shall provide notice of the expungement to the Federal Bureau of Investigation's National Crime Information Center, or its successor agency. The court shall issue the person a certificate stating that the offense for which the person was convicted has been expunged and that its effect is to annul the record of arrest, conviction, and sentence.

(c) The effect of such expungement shall be to restore such person to the status the person occupied prior to such arrest, plea, or conviction and as if such event had never taken place. Such person shall not be required to acknowledge the existence of such a criminal history record or answer questions about the record in any application for employment, license, or civil right or privilege or in an appearance as a witness in any proceeding or hearing, and may deny the existence of the record regardless of whether the person has received notice from the court that an expungement order has been issued on the person's behalf.

(d) No person shall be prosecuted again for any offense which has been vacated or expunged.

(e) The court shall keep a special index of cases that have been expunged together with the expungement order and the certificate issued pursuant to this subsection. The index shall list only the name of the person convicted of the offense, his or her date of birth, the docket number, and the criminal offense that was the subject of the expungement. The special index and related documents shall be confidential and shall be physically and electronically segregated in a manner that ensures confidentiality and that limits access to authorized persons. The court may permit special access to the index and the documents for research purposes pursuant to the rules for public access to court records. The index and documents made available by the court may not include any identifying information.

(9) A person currently under parole, probation, or other state supervision, or released awaiting trial or other hearing, may not be punished or otherwise penalized based solely on conduct that is permitted by this section.

(10) No conduct permitted by this section shall constitute the basis for detention, search, or arrest; and except when law enforcement is investigating whether a person is operating a motor vehicle, train, aircraft, motorboat, or other motorized form of transport while under the influence of marijuana, the odor of marijuana or burnt marijuana, the possession or suspicion of possession of marijuana without evidence of a quantity in excess of the lawful amount, or the possession of multiple containers of marijuana without evidence of quantity in excess of the lawful amount shall not individually or in combination with each other constitute reasonably articulable suspicion of a crime. Marijuana and marijuana-infused products as permitted by this section are not contraband nor subject to seizure.

(11) A person shall not be denied eligibility in public assistance programs or public benefits based solely on conduct that is permitted by this Article, unless required by federal law.

(12) No person shall be denied their rights under Article 1, Section 23 of the Missouri Constitution, solely for conduct that is permitted by this section.

(13) No person shall be denied parental rights, custody of, or visitation with a minor child by a state or local government executive agency based solely on conduct that is permitted by this section, unless the person's behavior is such that it creates an unreasonable danger to a minor child that can be established by clear and convincing evidence.

[11. Interstate Commerce.] 3. Interstate Commerce.

[If federal law, rules, or regulations are amended to allow the interstate commerce of marijuana or marijuana-infused products or the importation or exportation of marijuana or marijuana-infused products into or out of the state of Missouri, the provisions and intent of this section shall, to the extent possible, remain in full effect, unless explicitly preempted by such federal law, rule, or regulation. If federal law, rules, or regulations are amended as provided above, any marijuana or marijuana-infused products imported into this state shall be subject to the same testing standards and seed-to-sale tracking system required under this section for marijuana and marijuana-infused products produced within the state. Unless federal law, rules, or regulations explicitly require otherwise, no entity shall sell, transport, produce, distribute, deliver, or cultivate marijuana or marijuana-infused products without an applicable license or certificate as required under this section. In addition, any raw biomass of marijuana or marijuana flower imported from out-of-state shall be received only by a licensed cultivation facility, while all batch oil, infused marijuana products and any marijuana product in any other form shall be received only by a licensed manufacturing facility.] The Interstate Commerce of Cannabis, Cannabis products and/or Cannabis accessories, from Missouri shall be permitted to those states and nations that have legalized Cannabis in some form. The level of restriction of Cannabis commerce to any state or nation shall be based on the laws of the recipient of Missouri's Cannabis products.

[12. Severability.] 4. Severability.

[The provisions of this section are severable, and if any clause, sentence, paragraph or section of this measure, or an application thereof, is adjudged invalid by any court of competent jurisdiction, the other provisions shall continue to be in effect to the fullest extent possible.] The provisions of this section are severable. If any clause, sentence, paragraph or section of this measure, or an application thereof, is deemed invalid by a majority vote from a General Election, the other provisions shall continue to be in effect to the fullest extent possible.

[13. Effective Date.] 5. Effective Date of Implementation.

[The provisions of this section shall become effective within thirty days following the election, as provided by this Constitution.] The dictates of this Initiative, unless otherwise indicated by this Initiative shall be implemented no later than January 31st, 2025.



JOHN R. ASHCROFT

SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

April 18, 2023

RECEIVED

APR 18 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from David Brain regarding a proposed constitutional amendment to Article VIII, version 4 (2024-110)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by David Brain on April 17, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

County _____

Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

RECEIVED
2023 APR 17 PM 2:00
CLERK OF COURTS

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____, I, _____, being first duly sworn, say (print names of signers)

	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
2						
3						
4						
5						
6						
7						
8						
9						
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do____do not ____ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Subscribed and sworn to before me this _____ day of _____, A.D. _____	(Seal)
Printed Name of Affiant	City, State and Zip Code of Affiant	Signature of Notary	Address of Notary

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly or through citizen initiative or referendum, shall be clear, unbiased, fair, sufficient, and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. Subject to appropriation and upon request by an election authority, the secretary of state shall provide technical assistance and recommended guidelines for the management, administration, and accuracy of voter rolls and registrations maintained and used by any election authority, including but not limited to signature reviews and removing deceased individuals from the voter rolls, and may provide funding assistance to election authorities.

2. Subject to appropriation, election authorities shall update all voter rolls which such election authority has control over, upon the proper notification by a state agency of any voter who is not a qualified registered voter in the jurisdiction of such election authority, including deceased individuals.

Section 10. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, has one of its candidates for any statewide office receive more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party, at any two consecutive general elections fails to have at least one candidate for any statewide office receive more than two percent of the entire vote cast for the office.

Section 12. 1. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each eligible registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each eligible registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section, "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

2. In a contest for nomination for or election to an office of a political subdivision or special district, the requirements of this section shall not apply in any circumstance where it conflicts with a federally mandated voting system or with a law or policy adopted in any election after the year 2014 by a majority of the voters casting votes in such election of the subdivision or district.

3. Nothing in this section shall apply to the election of delegates selected by senate district to a constitutional convention under the provisions of Article XII of this Constitution.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to other provisions of this article relating to primaries, voters shall have the liberty to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

5. The instructions on every ballot subject to this section shall state, "Choose ALL candidates you like in each race."

6. The candidate who receives the highest number of votes for each office shall be declared the winner of the election for that office. In all elections where multiple candidates are to be elected for the same office or position, the number of candidates receiving the highest number of votes for the respective number of offices or positions appearing on the ballot shall be elected.

7. Nothing in this section shall authorize or allow any voter to assign to a candidate any order, ranking order, or ranking number, indicating a voter's preference for or against any candidate.

Section 13. 1. The chair of the county committee, or the city committee of a city not within a county, of each established political party with a candidate on the ballot shall have the exclusive right to designate an observer for any polling place on any day in which votes are being cast who may be present until all ballots are cast, and an observer for each location at which absentee ballots or ballots cast on election day are counted, who may be present while the ballots are being prepared for counting and counted and may remain until all ballots are counted. No later than four business days

before the election, the chair shall provide signed designation forms with the names of the designated observers to the local election authority for confirmation of eligibility to serve as an observer. The local election authority shall sign off on the designation forms, unless the observer is found not to have the qualifications established by subsection 3 of this section. If the election authority determines that an observer does not meet the qualifications of subsection 3 of this section, the election authority shall notify the designating party chair and such chair may designate a replacement observer and provide the local election authority with the name of the replacement observer before 5:00 p.m. of the Monday preceding the election. The designating chair may substitute observers, who meet the qualifications of subsection 3, at his or her discretion before 5:00 pm on the Monday preceding the election.

2. An independent candidate shall also have the right to designate an observer in the same manner as each political party, except should more than one independent candidate appear on the ballot, the independent candidates shall agree on a single observer per polling place or location referenced in subsection 1 of this section.

3. All persons selected as observers shall only be required to have the same qualifications required by law for election judges.

4. In a nonpartisan election, each nonpartisan candidate on the ballot shall have the right to designate an observer in the same manner as each political party for each polling place or location at which such candidate appears on the ballot, except should more than three nonpartisan candidates appear on the ballot, the nonpartisan candidates shall agree on no more than two observers per polling place or location referenced in subsection 1 of this section. The General Assembly shall enact laws to provide for procedures to carry out this subsection.

5. For purposes of this section, "observer" shall mean a watcher, challenger, or observer of an election as provided by law.

Section 14. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-110)**

Subject

Initiative petition from David Brain regarding a proposed constitutional amendment to Article VIII. (Received April 18, 2023)

Date

May 5, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, **Clay County Board of Election Commissioners**, and the **State Auditor's Office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-110 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated the initiative petition will not have a fiscal impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiatives and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-110 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to ballot measures and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-110 will have no fiscal impact on their office.

Officials from the **Office of the State Treasurer** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition 24-110 proposing to amend Article VIII.

Officials from **St. Louis County** indicated this initiative petition will have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this initiative petition would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated this petition has no impact on their system.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and determined that it would not have a direct financial impact upon College finances.

Officials from the **St. Louis County Board of Elections** indicated this initiative petition would have no fiscal impact on their Board of Elections.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no perceived impact on their organization.

Officials from the **Kansas City Board of Election Commissioners** indicated if this petition were to become law, monies for a tabulation software update estimated at \$10,000,

judge and staff training \$35,000 (1,000 election workers times \$35) and public notice of \$50,000 would be needed. This would be a one-time expenditure.

The Board further indicated in response to questions regarding the initial response:

The Board has a different tabulation system than Jackson County. The Board has not checked with the Board's vendor, but think there has got to be a way for the election authority to tabulate these votes. After careful consideration, the Board thinks all voters should understand the new voting process as it will be very confusing for everyone. Public notices, printed literature and TV ads would be needed. The Board does poll worker training most elections depending on the timing between elections. This would ensure that training and the length of time of it. Additional compensation would be add to judges checks, plus staff overtime, training manual updates and rental expense. \$35K is a fair estimate for everything. The Board would run public notices in all the KC area papers, about 6 papers, one to two times. TV ads hopefully would be free or cheap. If the Board mailed out literature to registered voters, the costs would be substantially higher, maybe \$100,000+ for 225,000 voters. This was not included in the estimate. None of this is required to the Board's knowledge, only reasonable steps to be taken when changing the voting process.

Officials from the **Jackson County Election Board** indicated no software exists that would allow a voter to choose all candidates they like in a race without the ranking of those candidates. Software for rank choice voting is approved by the Election Assistance Commission (EAC) for up to three choices, not unlimited.

If voters were to choose all candidates they like in a given race it would count as an overvote and that voter's vote would not count.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, the St. Charles County Election Authority, the Platte County Board of Elections, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State governmental entities estimate no costs or savings. Local governmental entities estimate one-time costs of at least \$95,000.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

April 18, 2023

RECEIVED

APR 18 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from David Brain regarding a proposed constitutional amendment to Article VIII, version 3 (2024-109)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by David Brain on April 17, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County _____

INITIATIVE PETITION

Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

RECEIVED
2023 APR 17 PM 2:17
J. Ashcroft

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____

I, _____ being first duly sworn, say (print names of signers)

	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. _____

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly or through citizen initiative or referendum, shall be clear, unbiased, fair, sufficient, and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, has one of its candidates for any statewide office receive more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party, at any two consecutive general elections fails to have at least one candidate for any statewide office receive more than two percent of the entire vote cast for the office.

Section 10. 1. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each eligible registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each eligible registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section, "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

2. In a contest for nomination for or election to an office of a political subdivision or special district, the requirements of this section shall not apply in any circumstance where it conflicts with a federally mandated voting system or with a law or policy adopted in any election after the year 2014 by a majority of the voters casting votes in such election of the subdivision or district.

3. Nothing in this section shall apply to the election of delegates selected by senate district to a constitutional convention under the provisions of Article XII of this Constitution.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to other provisions of this article relating to primaries, voters shall have the liberty to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

5. The instructions on every ballot subject to this section shall state, "Choose ALL candidates you like in each race."

6. The candidate who receives the highest number of votes for each office shall be declared the winner of the election for that office. In all elections where multiple candidates are to be elected for the same office or position, the number of candidates receiving the highest number of votes for the respective number of offices or positions appearing on the ballot shall be elected.

7. Nothing in this section shall authorize or allow any voter to assign to a candidate any order, ranking order, or ranking number, indicating a voter's preference for or against any candidate.

Section 12. 1. The chair of the county committee, or the city committee of a city not within a county, of each established political party with a candidate on the ballot shall have the exclusive right to designate an observer for any polling place on any day in which votes are being cast who may be present until all ballots are cast, and an observer for each location at which absentee ballots or ballots cast on election day are counted, who may be present while the ballots are being prepared for counting and counted and may remain until all ballots are counted. No later than four business days before the election, the chair shall provide signed designation forms with the names of the designated observers to the local election authority for confirmation of eligibility to serve as an observer. The local election authority shall sign off on the designation forms, unless the observer is found not to have the qualifications established by subsection 3 of this section. If the election authority determines that an observer does not meet the qualifications of subsection 3 of this section, the election authority shall notify the designating party chair and such chair may designate a replacement observer and provide the local election authority with the name of the replacement observer before 5:00 p.m. of the Monday preceding the election. The designating chair may substitute observers, who meet the qualifications of subsection 3, at his or her discretion before 5:00 pm on the Monday preceding the election.

2. An independent candidate shall also have the right to designate an observer in the same manner as each political party, except should more than one independent candidate appear on the ballot, the independent candidates shall agree on a single observer per polling place or location referenced in subsection 1 of this section.

3. All persons selected as observers shall only be required to have the same qualifications required by law for election judges.

4. In a nonpartisan election, each nonpartisan candidate on the ballot shall have the right to designate an observer in the same manner as each political party for each polling place or location at which such candidate appears on the ballot, except should more than three nonpartisan candidates appear on the ballot, the nonpartisan candidates shall agree on no more than two observers per polling place or location referenced in subsection 1 of this section. The General Assembly shall enact laws to provide for procedures to carry out this subsection.

5. For purposes of this section, "observer" shall mean a watcher, challenger, or observer of an election as provided by law.

Section 13. 1. Prior to the certification of the election results, each election authority shall, at a minimum, undertake a manual audit of randomly selected precincts which shall equal the greater of: 5% of all election precincts within the election authority's jurisdiction, one precinct, or any number required by law. No such audit shall be performed, conducted, or overseen by any non-governmental entity. All ballots cast at such election by qualified registered voters in such precincts shall be subject to the manual audit. The manual audit shall be open to the public, be completed within fourteen (14) days of the conclusion of the election, and document the exact method of random selection to select precincts. Results from the manual audit shall be publicly available within two (2) days after its completion.

2. For the randomly selected precinct(s), the election authority shall manually audit one (1) contested election or ballot issue which shall be randomly selected from each of the following categories, where applicable: (A) Presidential and Vice-Presidential electors, United States senate candidates and state-wide candidates; (B) State-wide ballot issues; (C) United States representative candidates and state general assembly candidates; (D) Partisan circuit and associate circuit judge candidates and all nonpartisan judicial retention candidates; and (E) all remaining candidates or ballot issues for the remaining political subdivisions and special districts, including the county, in the randomly selected precincts. In addition to the randomly selected office or ballot measure above, the election authority shall manually audit all races in which the margin of victory between the two (2) top candidates is equal to or less than one-half of one percent (0.5%) of the number of votes cast for the office.

3. If, based on the manual audit, the election authority finds evidence of errors in the original tabulation that could change the result of any election or would exceed a threshold established by law, the election authority shall immediately notify the candidates in such election of the evidence of errors in the tabulation and such candidates may request a manual recount of all ballots in that election as provided by law.

Section 14. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-109)**

Subject

Initiative petition from David Brain regarding a proposed constitutional amendment to Article VIII. (Received April 18, 2023)

Date

May 5, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, **Clay County Board of Election Commissioners**, and the **State Auditor's Office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-109 and determined there is no fiscal impact.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated the initiative petition will not have a fiscal impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiatives and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-109 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to ballot measures and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-109 will have no fiscal impact on their office.

Officials from the **Office of the State Treasurer** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition 24-109 proposing to amend Article VIII.

Officials from **St. Louis County** indicated this initiative petition will have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this initiative petition would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated this petition has no impact on their system.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and determined that it would not have a direct financial impact upon College finances.

Officials from the **St. Louis County Board of Elections** indicated this initiative petition would have no fiscal impact on their Board of Elections.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no perceived impact on their organization.

Officials from the **Kansas City Board of Election Commissioners** indicated if this petition were to become law, monies for a tabulation software update estimated at \$10,000,

judge and staff training \$35,000 (1,000 election workers times \$35) and public notice of \$50,000 would be needed. This would be a one-time expenditure.

The Board further indicated in response to questions regarding the initial response:

The Board has a different tabulation system than Jackson County. The Board has not checked with the Board's vendor, but think there has got to be a way for the election authority to tabulate these votes. After careful consideration, the Board thinks all voters should understand the new voting process as it will be very confusing for everyone. Public notices, printed literature and TV ads would be needed. The Board does poll worker training most elections depending on the timing between elections. This would ensure that training and the length of time of it. Additional compensation would be add to judges checks, plus staff overtime, training manual updates and rental expense. \$35K is a fair estimate for everything. The Board would run public notices in all the KC area papers, about 6 papers, one to two times. TV ads hopefully would be free or cheap. If the Board mailed out literature to registered voters, the costs would be substantially higher, maybe \$100,000+ for 225,000 voters. This was not included in the estimate. None of this is required to the Board's knowledge, only reasonable steps to be taken when changing the voting process.

Officials from the **Jackson County Election Board** indicated no software exists that would allow a voter to choose all candidates they like in a race without the ranking of those candidates. Software for rank choice voting is approved by the Election Assistance Commission (EAC) for up to three choices, not unlimited.

If voters were to choose all candidates they like in a given race it would count as an overvote and that voter's vote would not count.

Section 12-2

This section would change Missouri State Statute 115.601 where the percentage for a recount for candidates that did not file with the Missouri Secretary of State is currently 1%, not 1/2 of 1 %. This would increase the number of recounts in municipal elections which tend to be close races and are time consuming and costly.

Estimated Cost Yearly to Reduce the Percentage Requirement

\$0.00 - \$10,000.00 (depending on number of recounts)

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield,**

the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, the St. Charles County Election Authority, the Platte County Board of Elections, and the Clay County Board of Election Commissioners.

Fiscal Note Summary

State governmental entities estimate no costs or savings. Local governmental entities estimate one-time costs of at least \$95,000.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

April 18, 2023

RECEIVED

APR 18 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from David Brain regarding a proposed constitutional amendment to Article VIII, version 2 (2024-108)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by David Brain on April 17, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County _____

INITIATIVE PETITION

Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

RECEIVED
2023 APR 17 PM 2:00
S. Ashcroft

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____		I, _____ being first duly sworn, say (print names of signers)				
	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Subscribed and sworn to before me this _____ day of _____, A.D. _____	(Seal)
Printed Name of Affiant	City, State and Zip Code of Affiant	Signature of Notary	Address of Notary

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting five new Sections to be known as Article VIII, Sections 8, 9, 10, 12, and 13.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting five new Sections to be known as Article VIII, Sections 8, 9, 10, 12, and 13 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly or through citizen initiative or referendum, shall be clear, unbiased, fair, sufficient, and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, has one of its candidates for any statewide office receive more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party, at any two consecutive general elections fails to have at least one candidate for any statewide office receive more than two percent of the entire vote cast for the office.

Section 10. 1. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each eligible registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each eligible registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section, "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

2. In a contest for nomination for or election to an office of a political subdivision or special district, the requirements of this section shall not apply in any circumstance where it conflicts with a federally mandated voting system or with a law or policy adopted in any election after the year 2014 by a majority of the voters casting votes in such election of the subdivision or district.

3. Nothing in this section shall apply to the election of delegates selected by senate district to a constitutional convention under the provisions of Article XII of this Constitution.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to other provisions of this article relating to primaries, voters shall have the liberty to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

5. The instructions on every ballot subject to this section shall state, "Choose ALL candidates you like in each race."

6. The candidate who receives the highest number of votes for each office shall be declared the winner of the election for that office. In all elections where multiple candidates are to be elected for the same office or position, the number of candidates receiving the highest number of votes for the respective number of offices or positions appearing on the ballot shall be elected.

7. Nothing in this section shall authorize or allow any voter to assign to a candidate any order, ranking order, or ranking number, indicating a voter's preference for or against any candidate.

Section 12. 1. Prior to the certification of the election results, each election authority shall, at a minimum, undertake a manual audit of randomly selected precincts which shall equal the greater of: 5% of all election precincts within the election authority's jurisdiction, one precinct, or any number required by law. No such audit shall be performed, conducted, or overseen by any non-governmental entity. All ballots cast at such election by qualified registered voters in such precincts shall be subject to the manual audit. The manual audit shall be open to the public, be completed within fourteen (14) days of the conclusion of the election, and document the exact method of random selection to select precincts. Results from the manual audit shall be publicly available within two (2) days after its completion.

2. For the randomly selected precinct(s), the election authority shall manually audit one (1) contested election or ballot issue which shall be randomly selected from each of the following categories, where applicable: (A) Presidential and Vice-Presidential electors, United States senate candidates and state-wide candidates; (B) State-wide ballot issues; (C) United States representative candidates and state general assembly candidates; (D) Partisan circuit and associate circuit judge candidates and all nonpartisan judicial retention candidates; and (E) all remaining candidates or ballot issues for the remaining political subdivisions and special districts, including the county, in the randomly selected precincts. In

addition to the randomly selected office or ballot measure above, the election authority shall manually audit all races in which the margin of victory between the two (2) top candidates is equal to or less than one-half of one percent (0.5%) of the number of votes cast for the office.

3. If, based on the manual audit, the election authority finds evidence of errors in the original tabulation that could change the result of any election or would exceed a threshold established by law, the election authority shall immediately notify the candidates in such election of the evidence of errors in the tabulation and such candidates may request a manual recount of all ballots in that election as provided by law.

Section 13. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-108)**

Subject

Initiative petition from David Brain regarding a proposed constitutional amendment to Article VIII. (Received April 18, 2023)

Date

May 5, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, **Clay County Board of Election Commissioners**, and the **State Auditor's Office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-108 and determined there is no fiscal impact.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

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Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for this initiative petition.

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Officials from the **Office of the State Treasurer** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-108 proposing to amend Article VIII.

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Officials from the **City of Kansas City** indicated this initiative petition would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

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judge and staff training \$35,000 (1,000 election workers times \$35) and public notice of \$50,000 would be needed. This would be a one-time expenditure.

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Section 12-2

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Estimated Cost Yearly to Reduce the Percentage Requirement

\$.00 - \$10,000.00 (depending on number of recounts)

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield,**

the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, the St. Charles County Election Authority, the Platte County Board of Elections, and the Clay County Board of Election Commissioners.

Fiscal Note Summary

State governmental entities estimate no costs or savings. Local governmental entities estimate one-time costs of at least \$95,000.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

April 18, 2023

RECEIVED

APR 18 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from David Brain regarding a proposed constitutional amendment to Article VIII, version 1 (2024-107)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by David Brain on April 17, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County _____

INITIATIVE PETITION

Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

RECEIVED
2023 APR 17 PM 2:15


CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ____ do not ____ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. _____

(Seal)

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting five new Sections to be known as Article VIII, Sections 8, 9, 10, 12, and 13.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting five new Sections to be known as Article VIII, Sections 8, 9, 10, 12, and 13 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly or through citizen initiative or referendum, shall be clear, unbiased, fair, sufficient, and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, has one of its candidates for any statewide office receive more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party, at any two consecutive general elections fails to have at least one candidate for any statewide office receive more than two percent of the entire vote cast for the office.

Section 10. 1. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each eligible registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each eligible registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section, "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

2. In a contest for nomination for or election to an office of a political subdivision or special district, the requirements of this section shall not apply in any circumstance where it conflicts with a federally mandated voting system or with a law or policy adopted in any election after the year 2014 by a majority of the voters casting votes in such election of the subdivision or district.

3. Nothing in this section shall apply to the election of delegates selected by senate district to a constitutional convention under the provisions of Article XII of this Constitution.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to other provisions of this article relating to primaries, voters shall have the liberty to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

5. The instructions on every ballot subject to this section shall state, "Choose ALL candidates you like in each race."

6. The candidate who receives the highest number of votes for each office shall be declared the winner of the election for that office. In all elections where multiple candidates are to be elected for the same office or position, the number of candidates receiving the highest number of votes for the respective number of offices or positions appearing on the ballot shall be elected.

7. Nothing in this section shall authorize or allow any voter to assign to a candidate any order, ranking order, or ranking number, indicating a voter's preference for or against any candidate.

Section 12. 1. The chair of the county committee, or the city committee of a city not within a county, of each established political party with a candidate on the ballot shall have the exclusive right to designate an observer for any polling place on any day in which votes are being cast who may be present until all ballots are cast, and an observer for each location at which absentee ballots or ballots cast on election day are counted, who may be present while the ballots are being prepared for counting and counted and may remain until all ballots are counted. No later than four business days before the election, the chair shall provide signed designation forms with the names of the designated observers to the local election authority for confirmation of eligibility to serve as an observer. The local election authority shall sign off on the designation forms, unless the observer is found not to have the qualifications established by subsection 3 of this section. If the election authority determines that an observer does not meet the qualifications of subsection 3 of this section, the election authority shall notify the designating party chair and such chair may designate a replacement observer and provide the local election authority with the name of the replacement observer before 5:00 p.m. of the Monday preceding the election. The designating chair may substitute observers, who meet the qualifications of subsection 3, at his or her discretion before 5:00 pm on the Monday preceding the election.

2. An independent candidate shall also have the right to designate an observer in the same manner as each political party, except should more than one independent candidate appear on the ballot, the independent candidates shall agree on a single observer per polling place or location referenced in subsection 1 of this section.

3. All persons selected as observers shall only be required to have the same qualifications required by law for election judges.

4. In a nonpartisan election, each nonpartisan candidate on the ballot shall have the right to designate an observer in the same manner as each political party for each polling place or location at which such candidate appears on the ballot, except should more than three nonpartisan candidates appear on the ballot, the nonpartisan candidates shall agree on no more than two observers per polling place or location referenced in subsection 1 of this section. The General Assembly shall enact laws to provide for procedures to carry out this subsection.

5. For purposes of this section, “observer” shall mean a watcher, challenger, or observer of an election as provided by law.

Section 13. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-107)**

Subject

Initiative petition from David Brain regarding a proposed constitutional amendment to Article VIII. (Received April 18, 2023)

Date

May 5, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, **Clay County Board of Election Commissioners**, and the **State Auditor's Office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-107 and determined there is no fiscal impact.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated the initiative petition will not have a fiscal impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiatives and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-107 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to initiatives and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-107 will have no fiscal impact on their office.

Officials from the **Office of the State Treasurer** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-107 proposing to amend Article VIII.

Officials from **St. Louis County** indicated this initiative petition will have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this initiative petition would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated this petition has no impact on their system.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and determined there is no direct financial impact (positive or negative) to the College.

Officials from the **St. Louis County Board of Elections** indicated this initiative petition would have no fiscal impact on their Board of Elections.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no perceived impact.

Officials from the **Kansas City Board of Election Commissioners** indicated if this petition were to become law, monies for a tabulation software update estimated at \$10,000,

judge and staff training \$35,000 (1,000 election workers times \$35) and public notice of \$50,000 would be needed. This would be a one-time expenditure.

The Board further indicated in response to questions regarding the initial response:

The Board has a different tabulation system than Jackson County. The Board has not checked with the Board's vendor, but think there has got to be a way for the election authority to tabulate these votes. After careful consideration, the Board thinks all voters should understand the new voting process as it will be very confusing for everyone. Public notices, printed literature and TV ads would be needed. The Board does poll worker training most elections depending on the timing between elections. This would ensure that training and the length of time of it. Additional compensation would be add to judges checks, plus staff overtime, training manual updates and rental expense. \$35K is a fair estimate for everything. The Board would run public notices in all the KC area papers, about 6 papers, one to two times. TV ads hopefully would be free or cheap. If the Board mailed out literature to registered voters, the costs would be substantially higher, maybe \$100,000+ for 225,000 voters. This was not included in the estimate. None of this is required to the Board's knowledge, only reasonable steps to be taken when changing the voting process.

Officials from the **Jackson County Election Board** indicated no software exists that would allow a voter to choose all candidates they like in a race without the ranking of those candidates. Software for rank choice voting is approved by the Election Assistance Commission (EAC) for up to three choices, not unlimited.

If voters were to choose all candidates they like in a given race it would count as an overvote and that voter's vote would not count.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, the St. Charles County Election Authority, the Platte County Board of Elections, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State governmental entities estimate no costs or savings. Local governmental entities estimate one-time costs of at least \$95,000.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

April 14, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

APR 14 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Madeline Smith regarding a proposed constitutional amendment to Article I (2024-106)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Madeline Smith on April 13, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.02, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____
Page No.: _____

INITIATIVE PETITION

To the Honorable John Ashcroft, Secretary of State for the state of Missouri: We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition, I am a registered voter of the state of Missouri and _____ County (or city of St. Louis), my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[Official Ballot title]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____, being first duly sworn, say (print or type names of signers)

	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1.						
2.						
3.						
4.						
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence, I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County. FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer _____

Signature of Affiant (Person obtaining signatures) _____ Street Address of Affiant _____

Subscribed and sworn to before me this ___ day of _____, A.D. _____ (SEAL)

Printed Name of Affiant _____ City and Zip Code of Affiant _____

Signature of Notary _____ Address of Notary _____ My Commission Expires _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article I of the Constitution is revised by repealing section 33 which reads as follows: [That to be valid and recognized in this state, a marriage shall exist only between a man and a woman.]

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-106)**

Subject

Initiative petition from Madeline Smith regarding a proposed constitutional amendment to Article I. (Received April 14, 2023)

Date

May 4, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-106 and determined there is no fiscal impact.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-106 proposing to amend Article I.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate fiscal impact.

Officials from the **Governor's office** indicated this proposal relating to marriage does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-106 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to marriage does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated the initiative petition 24-106 will have no fiscal impact on their office.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-106 proposing to amend Article I.

Officials from **St. Louis County** indicated this has no fiscal impact on their county.

Officials from the **City of Kansas City** indicated the initiative petition has no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated no significant impact anticipated.

Officials from the **St. Louis Community College** indicated they have reviewed the petition and do not believe the initiative will have a positive or negative impact on revenue or expense of the College.

The State Auditor's office did not receive a response from the **State Treasurer's office, Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and State Technical College of Missouri.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

April 14, 2023

RECEIVED

APR 14 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Madeline Smith regarding a proposed statutory amendment to Chapter 213 (2024-105)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Madeline Smith on April 13, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.02, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____
Page No.: _____

INITIATIVE PETITION

To the Honorable John Ashcroft, Secretary of State for the state of Missouri: We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition, I am a registered voter of the state of Missouri and _____ County (or city of St. Louis), my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[Official Ballot title]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____, being first duly sworn, say (print or type names of signers)

	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence, I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County. FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer _____

Signature of Affiant (Person obtaining signatures) _____ Street Address of Affiant _____ Subscribed and sworn to before me this ___ day of _____, A.D. _____ (SEAL)

Printed Name of Affiant _____ City and Zip Code of Affiant _____ Signature of Notary _____ Address of Notary _____ My Commission Expires _____

Be it enacted by the people of the state of Missouri:

Chapter 213, RSMo, shall be revised by amending section 213.010 of the Revised Statutes of Missouri to read as follows:

213.010. Definitions. — As used in this chapter, the following terms shall mean:

(1) "Age", an age of forty or more years but less than seventy years, except that it shall not be an unlawful employment practice for an employer to require the compulsory retirement of any person who has attained the age of sixty-five and who, for the two-year period immediately before retirement, is employed in a bona fide executive or high policy-making position, if such person is entitled to an immediate nonforfeitable annual retirement benefit from a pension, profit sharing, savings or deferred compensation plan, or any combination of such plans, of the employer, which equals, in the aggregate, at least forty-four thousand dollars;

(2) "Because" or "because of", as it relates to the adverse decision or action, the protected criterion was the motivating factor;

(3) "Commission", the Missouri commission on human rights;

(4) "Complainant", a person who has filed a complaint with the commission alleging that another person has engaged in a prohibited discriminatory practice;

(5) "Disability", a physical or mental impairment which substantially limits one or more of a person's major life activities, being regarded as having such an impairment, or a record of having such an impairment, which with or without reasonable accommodation does not interfere with performing the job, utilizing the place of public accommodation, or occupying the dwelling in question. For purposes of this chapter, the term "disability" does not include current, illegal use of or addiction to a controlled substance as such term is defined by section 195.010; however, a person may be considered to have a disability if that person:

(a) Has successfully completed a supervised drug rehabilitation program and is no longer engaging in the illegal use of, and is not currently addicted to, a controlled substance or has otherwise been rehabilitated successfully and is no longer engaging in such use and is not currently addicted;

(b) Is participating in a supervised rehabilitation program and is no longer engaging in illegal use of controlled substances; or

(c) Is erroneously regarded as currently illegally using, or being addicted to, a controlled substance;

(6) "Discrimination", conduct proscribed herein, taken because of race, color, religion, national origin, ancestry, sex, or age as it relates to employment, disability, or familial status as it relates to housing;

(7) "Dwelling", any building, structure or portion thereof which is occupied as, or designed or intended for occupancy as, a residence by one or more families, and any vacant land which is offered for sale or lease for the construction or location thereon of any such building, structure or portion thereof;

(8) "Employer", a person engaged in an industry affecting commerce who has six or more employees for each working day in each of twenty or more calendar weeks in the current or preceding calendar year, and shall include the state, or any political or civil subdivision thereof, or any person employing six or more persons within the state but does not include corporations and associations owned or operated by religious or sectarian organizations. "Employer" shall not include:

(a) The United States;

(b) A corporation wholly owned by the government of the United States;

(c) An individual employed by an employer;

(d) An Indian tribe;

(e) Any department or agency of the District of Columbia subject by statute to procedures of the competitive service, as defined in 5 U.S.C. Section 2101; or

(f) A bona fide private membership club, other than a labor organization, that is exempt from taxation under 26 U.S.C. Section 501(c);

(9) "Employment agency" includes any person or agency, public or private, regularly undertaking with or without compensation to procure employees for an employer or to procure for employees opportunities to work for an employer;

(10) "Executive director", the executive director of the Missouri commission on human rights;

(11) "Familial status", one or more individuals who have not attained the age of eighteen years being domiciled with:

(a) A parent or another person having legal custody of such individual; or

(b) The designee of such parent or other person having such custody, with the written permission of such parent or other person. The protections afforded against discrimination because of familial status shall apply to any person who is pregnant or is in the process of securing legal custody of any individual who has not attained the age of eighteen years;

(12) "Human rights fund", a fund established to receive civil penalties as required by federal regulations and as set forth by subdivision (2) of subsection 11 of section 213.075, and which will be disbursed to offset additional expenses related to compliance with the Department of Housing and Urban Development regulations;

(13) "Labor organization" includes any organization which exists for the purpose, in whole or in part, of collective bargaining or of dealing with employers concerning grievances, terms or conditions of employment, or for other mutual aid or protection in relation to employment;

(14) "Local commissions", any commission or agency established prior to August 13, 1986, by an ordinance or order adopted by the governing body of any city, constitutional charter city, town, village, or county;

(15) "Person" includes one or more individuals, corporations, partnerships, associations, organizations, labor organizations, legal representatives, mutual companies, joint stock companies, trusts, trustees, trustees in bankruptcy, receivers, fiduciaries, or other organized groups of persons;

(16) "Places of public accommodation", all places or businesses offering or holding out to the general public, goods, services, privileges, facilities, advantages or accommodations for the peace, comfort, health, welfare and safety of the general public or such public places providing food, shelter, recreation and amusement, including, but not limited to:

(a) Any inn, hotel, motel, or other establishment which provides lodging to transient guests, other than an establishment located within a building which contains not more than five rooms for rent or hire and which is actually occupied by the proprietor of such establishment as his residence;

(b) Any restaurant, cafeteria, lunchroom, lunch counter, soda fountain, or other facility principally engaged in selling food for consumption on the premises, including, but not limited to, any such facility located on the premises of any retail establishment;

(c) Any gasoline station, including all facilities located on the premises of such gasoline station and made available to the patrons thereof;

(d) Any motion picture house, theater, concert hall, sports arena, stadium, or other place of exhibition or entertainment;

(e) Any public facility owned, operated, or managed by or on behalf of this state or any agency or subdivision thereof, or any public corporation; and any such facility supported in whole or in part by public funds;

(f) Any establishment which is physically located within the premises of any establishment otherwise covered by this section or within the premises of which is physically located any such covered establishment, and which holds itself out as serving patrons of such covered establishment;

(17) "Rent" includes to lease, to sublease, to let and otherwise to grant for consideration the right to occupy premises not owned by the occupant;

(18) "Respondent", a person who is alleged to have engaged in a prohibited discriminatory practice in a complaint filed with the commission;

(19) "Sex", shall be defined as sex, sexual orientation, and gender identity.

([19]20) "The motivating factor", the employee's protected classification actually played a role in the adverse action or decision and had a determinative influence on the adverse decision or action;

([20]21) "Unlawful discriminatory practice", any act that is unlawful under this chapter.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-105)**

Subject

Initiative petition from Madeline Smith regarding a proposed amendment to Chapter 213 of the Revised Statutes of Missouri. (Received April 14, 2023)

Date

May 4, 2023

Description

This proposal would amend Chapter 213 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-105 and determined there is no fiscal impact.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated this legislation creates additional causes of action related to discrimination. This would possibly result in more Missouri Human Rights Act (MHRA) claims being made against businesses and state agencies and such litigation could result in significant costs.

This legislation creates additional causes of action related to discrimination, by adding the protected categories of sexual orientation and gender identity to the MHRA. As sexual orientation and gender identity are not currently protected categories under the MHRA, adding these protections would increase the Missouri Commission on Human Rights' current workload and as such cause a fiscal impact. Below is the data they have gathered to base their estimate:

Based on statistics of several states that already include sexual orientation and gender identity in protected status including Illinois, Iowa, Colorado, and Minnesota; as well as the Federal Equal Employment Opportunity Commission (EEOC) to gather statistics regarding complaints filed on sexual orientation/gender identity. Based on 2017 data, an average of 6.3% of total complaints of discrimination were due to sexual orientation or gender identity. (They have reached out to gather updated statistical data from these same states)

Using this assumption, the projected number of additional complaints MCHR would have for FY 2022 is estimated at 70. ($\text{FY 2022 1112} \times 6.3\% = 70.056$). That would be an increase of about 70 cases. A Human Rights Officer annually produces 96 cases, so therefore they feel they would need an additional HRO if this legislation were to pass.

The department indicated this proposal would result in one-time costs of \$2,800 and increased personal service costs of \$65,021 for fiscal year 2024, \$75,832 for fiscal year 2025, and \$77,021 for fiscal year 2026.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate fiscal impact.

Officials from the **Governor's office** indicated this proposal relating to definitions within Chapter 213/Human Rights does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-105 will have no anticipated fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to definitions within Chapter 213/Human Rights does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated the initiative petition 24-105 will have no fiscal impact on their office.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of the initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-105 proposing to amend Chapter 213, RSMo.

Officials from **St. Louis County** indicated this has no fiscal impact on their county.

Officials from the **City of Kansas City** indicated the initiative petition could have a negative fiscal impact on their city if it increases the city's exposure to liability.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated this would create potential additional liabilities for employers, including the University, but it's not possible to determine a significant fiscal impact.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative and do not believe it will have a positive or negative impact on revenues or expenses of the College.

The State Auditor's office did not receive a response from the **State Treasurer's office, Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and State Technical College of Missouri.**

Fiscal Note Summary

State governmental entities estimate one-time costs of \$2,800 and ongoing costs of at least \$65,000 annually. Local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 29, 2023

RECEIVED

MAR 29 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from David Brain regarding a proposed constitutional amendment to Article VIII, version 4 (2024-104)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by David Brain on March 28, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County _____

INITIATIVE PETITION

Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
2						
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Subscribed and sworn to before me this _____ day of _____, A.D. _____		(Seal)
Printed Name of Affiant	City, State and Zip Code of Affiant	Signature of Notary	Address of Notary	

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly or through citizen initiative or referendum, shall be clear, unbiased, fair, sufficient, and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. Subject to appropriation and upon request by an election authority, the secretary of state shall provide technical assistance and recommended guidelines for the management, administration, and accuracy of voter rolls and registrations maintained and used by any election authority, including but not limited to signature reviews and removing deceased individuals from the voter rolls, and may provide funding assistance to election authorities.

2. Subject to appropriation and federal law, election authorities shall update all voter rolls which such election authority has control over, upon the proper notification by a state or federal agency of any voter who is not a qualified registered voter in the jurisdiction of such election authority, including deceased individuals.

Section 10. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, has one of its candidates for any statewide office receive more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party, at any two consecutive general elections fails to have at least one candidate for any statewide office receive more than two percent of the entire vote cast for the office.

Section 12. 1. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each eligible registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each eligible registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section, "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

2. In a contest for nomination for or election to an office of a political subdivision or special district, the requirements of this section shall not apply in any circumstance where it conflicts with a federally mandated voting system or with a law or policy adopted in any election after the year 2014 by a majority of the voters casting votes in such election of the subdivision or district.

3. Nothing in this section shall apply to the election of delegates selected by senate district to a constitutional convention under the provisions of Article XII of this Constitution.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to other provisions of this article relating to primaries, voters shall have the freedom to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

5. The instructions on every ballot subject to this section shall state, "Choose ALL candidates you like in each race."

6. The candidate who receives the highest number of votes for each office shall be declared the winner of the election for that office. In all elections where multiple candidates are to be elected for the same office or position, the number of candidates receiving the highest number of votes for the respective number of offices or positions appearing on the ballot shall be elected.

7. Nothing in this section shall authorize or allow any voter to assign to a candidate any order, ranking order, or ranking number, indicating a voter's preference for or against any candidate.

Section 13. 1. The chair of the county committee, or the city committee of a city not within a county, of each established political party with a candidate on the ballot shall have the exclusive right to designate an observer for any polling place on any day in which votes are being cast who may be present until all ballots are cast, and an observer for each location at which absentee ballots or ballots cast on election day are counted, who may be present while the ballots are being prepared for counting and counted and may remain until all ballots are counted. No later than four business days

before the election, the chair shall provide signed designation forms with the names of the designated observers to the local election authority for confirmation of eligibility to serve as an observer. The local election authority shall sign off on the designation forms, unless the observer is found not to have the qualifications established by subsection 3 of this section. If the election authority determines that an observer does not meet the qualifications of subsection 3 of this section, the election authority shall notify the designating party chair and such chair may designate a replacement observer and provide the local election authority with the name of the replacement observer before 5:00 p.m. of the Monday preceding the election. The designating chair may substitute observers, who meet the qualifications of subsection 3, at his or her discretion before 5:00 pm on the Monday preceding the election.

2. An independent candidate shall also have the right to designate an observer in the same manner as each political party, except should more than one independent candidate appear on the ballot, the independent candidates shall agree on a single observer per polling place or location referenced in subsection 1 of this section.

3. All persons selected as observers shall only be required to have the same qualifications required by law for election judges.

4. In a nonpartisan election, each nonpartisan candidate on the ballot shall have the right to designate an observer in the same manner as each political party for each polling place or location at which such candidate appears on the ballot, except should more than three nonpartisan candidates appear on the ballot, the nonpartisan candidates shall agree on no more than two observers per polling place or location referenced in subsection 1 of this section. The General Assembly shall enact laws to provide for procedures to carry out this subsection.

5. For purposes of this section, "observer" shall mean a watcher, challenger, or observer of an election as provided by law.

Section 14. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-104)**

Subject

Initiative petition from David Brain regarding a proposed constitutional amendment to Article VIII. (Received March 29, 2023)

Date

April 18, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, **Clay County Board of Election Commissioners**, and the **State Auditor's Office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-104 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-104 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission on this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-104 will have no fiscal impact on their office.

Officials from the **Office of the State Treasurer** indicated there is no identifiable impact to their office.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-104 proposing to amend Article VIII.

Officials from **St. Louis County** indicated this initiative petition will have no fiscal impact on their county.

Officials from the **City of Jefferson** indicated there is no fiscal impact to the City of Jefferson as a result of initiative petition 24-104 proposing to amend Article VIII.

Officials from the **City of Kansas City** indicated this initiative petition would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated they will have no fiscal impact from this initiative.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and they do not believe it will increase cost or have a revenue impact on their college.

Officials from the **St. Louis County Board of Elections** indicated this initiative petition will have no fiscal impact on their Board of Elections.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no perceived impact on their organization.

Officials from the **Kansas City Board of Election Commissioners** indicated they will need two additional staff in their Voter Services Department at \$40,000 each, including benefits, to aid with the State's management and review of their voter rolls.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated no software exists that would allow a voter to choose all candidates they like in a race without the ranking of those candidates.

If voters were to choose all candidates, they like in a given race it would count as an overvote and that voter's vote would not count.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, the St. Charles County Election Authority, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 29, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

MAR 29 2023

STATE AUDITORS OFFICE

RE: Petition approval request from David Brain regarding a proposed constitutional amendment to Article VIII, version 3 (2024-103)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by David Brain on March 28, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County _____

INITIATIVE PETITION

Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures) _____
Street Address of Affiant _____
Printed Name of Affiant _____
City, State and Zip Code of Affiant _____

Subscribed and sworn to before me this _____ day of _____, A.D. _____
Signature of Notary _____
Address of Notary _____

(Seal)

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly or through citizen initiative or referendum, shall be clear, unbiased, fair, sufficient, and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. Subject to appropriation and upon request by an election authority, the secretary of state shall provide technical assistance and recommended guidelines for the management, administration, and accuracy of voter rolls and registrations maintained and used by any election authority, including but not limited to signature reviews and removing deceased individuals from the voter rolls, and may provide funding assistance to election authorities.

2. Subject to appropriation and federal law, election authorities shall update all voter rolls which such election authority has control over, upon the proper notification by a state or federal agency of any voter who is not a qualified registered voter in the jurisdiction of such election authority, including deceased individuals.

Section 10. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, has one of its candidates for any statewide office receive more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party, at any two consecutive general elections fails to have at least one candidate for any statewide office receive more than two percent of the entire vote cast for the office.

Section 12. 1. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each eligible registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each eligible registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section, "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

2. In a contest for nomination for or election to an office of a political subdivision or special district, the requirements of this section shall not apply in any circumstance where it conflicts with a federally mandated voting system or with a law or policy adopted in any election after the year 2014 by a majority of the voters casting votes in such election of the subdivision or district.

3. Nothing in this section shall apply to the election of delegates selected by senate district to a constitutional convention under the provisions of Article XII of this Constitution.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to other provisions of this article relating to primaries, voters shall have the freedom to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

5. The instructions on every ballot subject to this section shall state, "Choose ALL candidates you like in each race."

6. The candidate who receives the highest number of votes for each office shall be declared the winner of the election for that office. In all elections where multiple candidates are to be elected for the same office or position, the number of candidates receiving the highest number of votes for the respective number of offices or positions appearing on the ballot shall be elected.

7. Nothing in this section shall authorize or allow any voter to assign to a candidate any order, ranking order, or ranking number, indicating a voter's preference for or against any candidate.

Section 13. 1. Prior to the certification of the election results, each election authority shall, at a minimum, undertake a manual audit of randomly selected precincts which shall equal the greater of: 5% of all election precincts within the election authority's jurisdiction, one precinct, or any number required by law. No such audit shall be performed, conducted, or overseen by any non-governmental entity. All ballots cast at such election by qualified registered voters in such precincts shall be subject to the manual audit. The manual audit shall be open to the public, be completed

within fourteen (14) days of the conclusion of the election, and document the exact method of random selection to select precincts. Results from the manual audit shall be publicly available within two (2) days after its completion.

2. For the randomly selected precinct(s), the election authority shall manually audit one (1) contested election or ballot issue which shall be randomly selected from each of the following categories, where applicable: (A) Presidential and Vice-Presidential electors, United States senate candidates and state-wide candidates; (B) State-wide ballot issues; (C) United States representative candidates and state general assembly candidates; (D) Partisan circuit and associate circuit judge candidates and all nonpartisan judicial retention candidates; and (E) all remaining candidates or ballot issues for the remaining political subdivisions and special districts, including the county, in the randomly selected precincts. In addition to the randomly selected office or ballot measure above, the election authority shall manually audit all races in which the margin of victory between the two (2) top candidates is equal to or less than one-half of one percent (0.5%) of the number of votes cast for the office.

3. If, based on the manual audit, the election authority finds evidence of errors in the original tabulation that could change the result of any election or would exceed a threshold established by law, the election authority shall immediately notify the candidates in such election of the evidence of errors in the tabulation and such candidates may request a manual recount of all ballots in that election as provided by law.

Section 14. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-103)**

Subject

Initiative petition from David Brain regarding a proposed constitutional amendment to Article VIII. (Received March 29, 2023)

Date

April 18, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, **Clay County Board of Election Commissioners**, and the **State Auditor's Office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-103 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-103 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission on this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-103 will have no fiscal impact on their office.

Officials from the **Office of the State Treasurer** indicated there is no identifiable impact to their office.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-103 proposing to amend Article VIII.

Officials from **St. Louis County** indicated this initiative petition will have no fiscal impact on their county.

Officials from the **City of Jefferson** indicated there is no fiscal impact to the City of Jefferson as a result of initiative petition 24-103 proposing to amend Article VIII.

Officials from the **City of Kansas City** indicated this initiative petition would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated they will have no fiscal impact from this initiative.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and they do not believe it will increase cost or have a revenue impact on their college. However, additional responsibilities established may result in a higher cost of an election.

Officials from the **St. Louis County Board of Elections** indicated this initiative petition will have no fiscal impact on their Board of Elections.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no perceived impact on their organization.

Officials from the **Kansas City Board of Election Commissioners** indicated they will need two additional staff in their Voter Services Department at \$40,000 each, including benefits, to aid with the State's management and review of their voter rolls.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated no software exists that would allow a voter to choose all candidates they like in a race without the ranking of those candidates.

If voters were to choose all candidates, they like in a given race it would count as an overvote, and that voter's vote would not count.

Section 13.1 (3)

If an error occurs in tabulation of a race a manual recount would most likely be needed for the entire ballot. While this is unlikely the cost would increase dramatically for that election.

Hand counting is extremely time consuming and would require hiring of additional part-time staff to conduct the count within the two week timeframe for timely certification of the election. Depending on the election (number of races) the fiscal impact could be between \$5,000.00 - \$15,000.00.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, the St. Charles County Election Authority, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 29, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

MAR 29 2023

STATE AUDITORS OFFICE

RE: Petition approval request from David Brain regarding a proposed constitutional amendment to Article VIII, version 2 (2024-102)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by David Brain on March 28, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

County _____
Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
2						
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Subscribed and sworn to before me this _____ day of _____, A.D. _____	(Seal)
Printed Name of Affiant	City, State and Zip Code of Affiant	Signature of Notary Address of Notary	

RECEIVED
2023 MAR 28 AM 11:49
[Signature]

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting five new Sections to be known as Article VIII, Sections 8, 9, 10, 12, and 13.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting five new Sections to be known as Article VIII, Sections 8, 9, 10, 12, and 13 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly or through citizen initiative or referendum, shall be clear, unbiased, fair, sufficient, and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. Subject to appropriation and upon request by an election authority, the secretary of state shall provide technical assistance and recommended guidelines for the management, administration, and accuracy of voter rolls and registrations maintained and used by any election authority, including but not limited to signature reviews and removing deceased individuals from the voter rolls, and may provide funding assistance to election authorities.

2. Subject to appropriation and federal law, election authorities shall update all voter rolls which such election authority has control over, upon the proper notification by a state or federal agency of any voter who is not a qualified registered voter in the jurisdiction of such election authority, including deceased individuals.

Section 10. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, has one of its candidates for any statewide office receive more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party, at any two consecutive general elections fails to have at least one candidate for any statewide office receive more than two percent of the entire vote cast for the office.

Section 12. 1. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each eligible registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each eligible registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section, "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

2. In a contest for nomination for or election to an office of a political subdivision or special district, the requirements of this section shall not apply in any circumstance where it conflicts with a federally mandated voting system or with a law or policy adopted in any election after the year 2014 by a majority of the voters casting votes in such election of the subdivision or district.

3. Nothing in this section shall apply to the election of delegates selected by senate district to a constitutional convention under the provisions of Article XII of this Constitution.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to other provisions of this article relating to primaries, voters shall have the freedom to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

5. The instructions on every ballot subject to this section shall state, "Choose ALL candidates you like in each race."

6. The candidate who receives the highest number of votes for each office shall be declared the winner of the election for that office. In all elections where multiple candidates are to be elected for the same office or position, the number of candidates receiving the highest number of votes for the respective number of offices or positions appearing on the ballot shall be elected.

7. Nothing in this section shall authorize or allow any voter to assign to a candidate any order, ranking order, or ranking number, indicating a voter's preference for or against any candidate.

Section 13. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-102)**

Subject

Initiative petition from David Brain regarding a proposed constitutional amendment to Article VIII. (Received March 29, 2023)

Date

April 18, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, **Clay County Board of Election Commissioners**, and the **State Auditor's Office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-102 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-102 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission on this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-102 has no fiscal impact on their office.

Officials from the **Office of the State Treasurer** indicated there is no identifiable impact to their office.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-102 proposing to amend Article VIII.

Officials from **St. Louis County** indicated this initiative petition will have no fiscal impact on their county.

Officials from the **City of Jefferson** indicated there is no fiscal impact to the City of Jefferson as a result of initiative petition 24-102 proposing to amend Article VIII.

Officials from the **City of Kansas City** indicated this initiative petition would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated they will have no fiscal impact from this initiative.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and they do not believe it will increase cost or have a revenue impact on their college.

Officials from the **St. Louis County Board of Elections** indicated this initiative petition will have no fiscal impact on their Board of Elections.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no perceived impact on their organization.

Officials from the **Kansas City Board of Election Commissioners** indicated they will need two additional staff in their Voter Services Department at \$40,000 each, including benefits, to aid with the State's management and review of their voter rolls.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated no software exists that would allow a voter to choose all candidates they like in a race without the ranking of those candidates.

If voters were to choose all candidates they like in a given race it would count as an overvote and that voter's vote would not count.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, the St. Charles County Election Authority, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 29, 2023

RECEIVED

MAR 29 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from David Brain regarding a proposed constitutional amendment to Article VIII, version 1 (2024-101)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by David Brain on March 28, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County _____

INITIATIVE PETITION

Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____		I, _____ being first duly sworn, say (print names of signers)				
	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
2						
3						
4						
5						
6						
7						
8						
9						
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do____ do not ____ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Subscribed and sworn to before me this _____ day of _____, A.D. _____	(Seal)
Printed Name of Affiant	City, State and Zip Code of Affiant	Signature of Notary	Address of Notary

RECEIVED
2023 MAR 28 AM 11:48
John R. Ashcroft

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting four new Sections to be known as Article VIII, Sections 8, 9, 10, and 12.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting four new Sections to be known as Article VIII, Sections 8, 9, 10, and 12 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly or through citizen initiative or referendum, shall be clear, unbiased, fair, sufficient, and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, has one of its candidates for any statewide office receive more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party, at any two consecutive general elections fails to have at least one candidate for any statewide office receive more than two percent of the entire vote cast for the office.

4. Any person desiring to be an independent candidate for any state or federal office to be filled by voters shall file a petition with the secretary of state. Any person desiring to be an independent candidate for any county office shall file a petition with the election authority of the county. If an independent candidate is to be nominated for a statewide office, the petition shall be signed by at least ten thousand registered voters of the state. If the independent candidate is to be nominated for a district or county office, the petition shall be signed by the number of registered voters in the district or county which is equal to at least two percent of the total number of voters who voted at the last general election for candidates for the office being sought or is equal to ten thousand voters, whichever is less.

Section 10. 1. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each eligible registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each eligible registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section, "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

2. In a contest for nomination for or election to an office of a political subdivision or special district, the requirements of this section shall not apply in any circumstance where it conflicts with a federally mandated voting system or with a law or policy adopted in any election after the year 2014 by a majority of the voters casting votes in such election of the subdivision or district.

3. Nothing in this section shall apply to the election of delegates selected by senate district to a constitutional convention under the provisions of Article XII of this Constitution.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to other provisions of this article relating to primaries, voters shall have the freedom to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

5. The instructions on every ballot subject to this section shall state, "Choose ALL candidates you like in each race."

6. The candidate who receives the highest number of votes for each office shall be declared the winner of the election for that office. In all elections where multiple candidates are to be elected for the same office or position, the number of candidates receiving the highest number of votes for the respective number of offices or positions appearing on the ballot shall be elected.

7. Nothing in this section shall authorize or allow any voter to assign to a candidate any order, ranking order, or ranking number, indicating a voter's preference for or against any candidate.

Section 12. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-101)**

Subject

Initiative petition from David Brain regarding a proposed constitutional amendment to Article VIII. (Received March 29, 2023)

Date

April 18, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, **Clay County Board of Election Commissioners**, and the **State Auditor's Office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-101 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-101 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission on this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-101 will have no fiscal impact on their office.

Officials from the **Office of the State Treasurer** indicated there is no identifiable or anticipated impact to their office.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-101 proposing to amend Article VIII.

Officials from **St. Louis County** indicated this initiative petition has no fiscal impact on their county.

Officials from the **City of Jefferson** indicated there is no fiscal impact to the City of Jefferson as a result of initiative petition 24-101 proposing to amend Article VIII.

Officials from the **City of Kansas City** indicated this initiative petition would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated they have no fiscal impact from this initiative.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and they do not believe it will increase cost or have a revenue impact on their college.

Officials from the **St. Louis County Board of Elections** indicated this initiative petition will have no fiscal impact on their Board of Elections.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no perceived impact on their organization.

Officials from the **Kansas City Board of Election Commissioners** indicated they don't see any fiscal impact with this petition.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated no software exists that would allow a voter to choose all candidates they like in a race without the ranking of those candidates.

If voters were to choose all candidates they like in a given race it would count as an overvote and that voter's vote would not count.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, the St. Charles County Election Authority, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 20, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

MAR 20 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Winston Apple regarding a proposed constitutional amendment to Article IV (2024-100)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Winston Apple on March 20, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do _____ do not _____ (check one) expect to be paid for circulating this petition. If paid, list the payer
_____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20__

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article IV of the Constitution is revised by repealing Sections 7, 8, 18, 25, and 26, and amending Sections 1 and 17 to read as follows:

Section 1. The [supreme] executive power shall be vested in a governor.

[Section 7. The governor shall have power to grant reprieves, commutations and pardons, after conviction, for all offenses except treason and cases of impeachment, upon such conditions and with such restrictions and limitations as he may deem proper, subject to provisions of law as to the manner of applying for pardons. The power to pardon shall not include the power to parole.]

[Section 8. Every resolution to which the concurrence of the senate and house of representatives may be necessary, except on questions of adjournment, going into joint session, and of amending this constitution, shall be presented to the governor, and before the same shall take effect, shall be proceeded upon in the same manner as in the case of a bill; provided, that no resolution shall have the effect to repeal, extend, or amend any law.]

Section 17. (a) Upon the expiration of the terms being served by the [The] governor, lieutenant governor, secretary of state, state treasurer, [and] attorney general [shall be elected at the presidential elections for terms of four years each. The] and state auditor at the time this amendment takes effect, the persons holding those offices shall be elected by the General Assembly. [for a term of two years at the general election in the year 1948, and his successors shall be elected for terms of four years.] No person shall be elected governor or treasurer more than twice, and no person who has held the office of governor or treasurer, or acted as governor or treasurer, for more than two years of a term to which some other person was elected to the office of governor or treasurer shall be elected to the office of governor or treasurer more than once.

(b) Elections for governor, lieutenant governor, secretary of state, state treasurer, attorney general, and state auditor may be called separately at any time by a majority vote of the members of either house. Any member of the General Assembly shall be able to nominate candidates for each office. If more than two candidates are nominated for an office the election shall be conducted using ranked choice voting, with each member of the General Assembly being able to rank as many of the candidates for each office as they wish to rank, in order of preference.

(c) Tabulation of the results shall proceed in sequential rounds. In the first round, only first-choice votes are tabulated. If a candidate receives a majority of the first-choice votes that candidate is elected. If no candidate receives a majority of the first-choice votes cast, the candidate with the lowest number of first-choice votes is eliminated and the candidates listed as the second choice on ballots cast for the candidate being eliminated are distributed among the "continuing candidates". In each subsequent round, the candidate who has the fewest "cumulative votes" is eliminated and the highest remaining choice for a continuing candidate on each ballot for the eliminated candidate shall be redistributed, in ranked order, as needed, among the continuing candidates. Ballots that do not rank any continuing candidate will be "exhausted ballots" and will not be counted in that round or subsequent rounds. This process shall be repeated for as many rounds as needed until one candidate wins election by receiving a majority of the total cumulative votes.

(d) A random selection algorithm shall be determined, prior to tabulation, to resolve ties between candidates. If a tie occurs at any point in the tabulation procedure and tabulation cannot proceed until the tie is resolved, then the random selection algorithm shall resolve the tie.

(e) The heads of all the executive departments shall be appointed by the governor, by and with the advice and consent of the General Assembly [senate]. All appointive officers may be removed by the general assembly [governor] and shall possess the qualifications required by this constitution or by law.

[Section 18. The returns of every election for governor, lieutenant governor, secretary of state, state auditor, state treasurer and attorney general shall be sealed and transmitted by the returning officers to the secretary of state, who shall appoint two disinterested judges of a court of record of the state, and the three shall constitute a board of state canvassers. The board shall meet at the state capitol on, or at the call of the secretary of state before, the second Tuesday of December next after the election and forthwith open and canvass the returns of the votes cast and from the face thereof ascertain and proclaim the result of the election. The persons having the highest number of votes for the respective offices shall be declared elected, and if two or more persons have an equal and the highest number of votes for the same office, at its next regular session the general assembly, by joint vote and without delay, shall choose one of such persons for the office.]

[Section 25. Until it acts on all the appropriations recommended in the budget, neither house of the general assembly shall pass any appropriation other than emergency appropriations recommended by the governor.]

[Section 26. The governor may object to one or more items or portions of items of appropriation of money in any bill presented to him, while approving other portions of the bill. On signing it he shall append to the bill a statement of the items or portions of items to which he objects and such items or portions shall not take effect. If the general assembly be in session he shall transmit to the house in which the bill originated a copy of the statement, and the items or portions objected to shall be reconsidered separately. If it be not in session he shall transmit the bill within forty-five days to the office of the secretary of state with his approval or reasons for disapproval. The governor shall not reduce any appropriation for free public schools, or for the payment of principal and interest on the public debt.]

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-100)**

Subject

Initiative petition from Winston Apple regarding a proposed constitutional amendment to Article IV. (Received March 20, 2023)

Date

April 07, 2023

Description

This proposal would amend Article IV of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, and the **Clay County Board of Election Commissioners**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-100 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for the Initiative petition 24-100 proposing to amend Article IV.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact due to this petition.

Officials from the **Governor's office** indicated this proposal relates to executive authority and elections. Their office should not be fiscally impacted by this proposal.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-100 has no anticipated fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected from their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relates to executive authority and elections. Their office should not be fiscally impacted by this proposal.

Officials from the **Office of State Courts Administrator** indicated in reference to initiative petition 24-100 a proposed constitutional amendment to Article IV, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-100 will have no fiscal impact on their office.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for initiative petition 24-100 proposing to amend Article IV.

Officials from **St. Louis County** indicated this will have no fiscal impact on their county.

Officials from the **City of Jefferson City** indicated in their opinion, initiative petition 24-100 proposing to amend Article IV, would have no fiscal impact on their city.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated they have no fiscal impact from the this petition.

Officials from the **St. Louis Community College** indicated they reviewed initiative petition 24-100 and determined there is no additional cost or revenue that will be incurred or achieved by the initiative.

Officials from the **St. Louis County Board of Elections** indicated this will have no fiscal impact on their board.

Officials from the **City of St. Louis Board of Election Commissioners** indicated this petition would have no fiscal impact on their organization.

Officials from the **Kansas City Board of Election Commissioners** indicated if petition 24-100 were to become law, there would be little to no fiscal impact on their operations. Generally the state has questions and/or amendments that are required to be on the ballot

every even-numbered election year. Therefore the state's costs for participating in the election would remain similar to past years. The only difference would be the size of the legal notice, which could potentially save the state a few thousand dollars per election.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated initiative petition 24-100 amending Article IV has no fiscal impact to their board.

The State Auditor's office did not receive a response from the **State Treasurer's office, Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, the St. Charles County Election Authority, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

March 20, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

MAR 20 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Winston Apple regarding a proposed constitutional amendment to Article I (2024-099)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Winston Apple on March 20, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do ____ do not ____ (check one) expect to be paid for circulating this petition. If paid, list the payer
_____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20__

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article I of the Constitution is revised by amending Section 33 to read as follows:

Section 33. That [to be valid and recognized in this state, a marriage shall exist only between a man and a woman.] all people have a natural and infeasible right to determine their gender identity for themselves and the right to free exercise of expression with regard to their sexual orientation, so long as their free exercise of these rights does not infringe upon the rights of others to do the same; that consenting adults have the right to form civil unions and/or join together in the sacred bonds of matrimony; that with the consent of a biological parent or legal guardian, persons not yet of the age of consent have the right to seek gender-affirming care or counselling with regard to gender identification and/or sexual orientation; and that health care providers, ministers and clergy, and educators may, at their own discretion, exercise their right to provide counsel to persons, including those not yet of the age of consent, seeking guidance and/or comfort with regard to matters relating to gender identification and sexual orientation.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-099)**

Subject

Initiative petition from Winston Apple regarding a proposed constitutional amendment to Article I. (Received March 20, 2023)

Date

April 07, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-099 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for initiative petition 24-099 proposing to amend Article I.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact due to this petition.

Officials from the **Governor's office** indicated this proposal relates to gender and marriage. Their office should not be fiscally impacted by this proposal.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-099 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relates to gender and marriage. Their office should not be fiscally impacted by this proposal.

Officials from the **Office of State Courts Administrator** indicated in reference to initiative petition 24-099 a proposed constitutional amendment to Article I, there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-099 has no fiscal impact on their office.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for initiative petition, 24-099 proposing to amend Article I.

Officials from **St. Louis County** indicated this will have no fiscal impact to their county.

Officials from the **City of Jefferson City** indicated in their opinion, initiative petition 24-099 proposing to amend Article I, would have no fiscal impact on their city.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **University of Missouri** indicated they have no fiscal impact from the this petition.

Officials from the **St. Louis Community College** indicated they have reviewed initiative petition 24-099 and determined there is no additional cost or revenue that will be incurred or achieved by the initiative.

The State Auditor's office did not receive a response from the **State Treasurer's office, Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, and the State Technical College of Missouri.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 16, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

MAR 16 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Madeline Smith regarding a proposed constitutional amendment to Article I (2024-098)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Madeline Smith on March 15, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.02, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John Ashcroft, Secretary of State for the state of Missouri: We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition, I am a registered voter of the state of Missouri and _____ County (or city of St. Louis), my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[Official Ballot title]
CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____, being first duly sworn, say (print or type names of signers)

	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence, I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County. FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer _____

Subscribed and sworn to before me this ___ day of _____, A.D. _____ (SEAL)

Signature of Affiant (Person obtaining signatures) _____ Street Address of Affiant _____

Printed Name of Affiant _____ City and Zip Code of Affiant _____

Signature of Notary _____ Address of Notary _____ My Commission Expire _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article I of the Constitution is revised by repealing section 33 which reads as follows: [That to be valid and recognized in this state, a marriage shall exist only between a man and a woman.]



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 16, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

MAR 16 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Madeline Smith regarding a proposed statutory amendment to Chapter 213 (2024-097)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Madeline Smith on March 15, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.02, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John Ashcroft, Secretary of State for the state of Missouri: We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition, I am a registered voter of the state of Missouri and _____ County (or city of St. Louis), my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[Official Ballot title]
CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____, being first duly sworn, say (print or type names of signers)

	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence, I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County. FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer _____

Signature of Affiant (Person obtaining signatures) _____ Street Address of Affiant _____ Subscribed and sworn to before me this ___ day of _____, A.D. _____ (SEAL)

Printed Name of Affiant _____ City and Zip Code of Affiant _____ Signature of Notary _____ Address of Notary _____ My Commission Expires _____

Be it enacted by the people of the state of Missouri:

Chapter 213, RSMo, shall be revised by amending section 213.010 of the Revised Statutes of Missouri to read as follows:

213.010. Definitions. — As used in this chapter, the following terms shall mean:

(1) "Age", an age of forty or more years but less than seventy years, except that it shall not be an unlawful employment practice for an employer to require the compulsory retirement of any person who has attained the age of sixty-five and who, for the two-year period immediately before retirement, is employed in a bona fide executive or high policy-making position, if such person is entitled to an immediate nonforfeitable annual retirement benefit from a pension, profit sharing, savings or deferred compensation plan, or any combination of such plans, of the employer, which equals, in the aggregate, at least forty-four thousand dollars;

(2) "Because" or "because of", as it relates to the adverse decision or action, the protected criterion was the motivating factor;

(3) "Commission", the Missouri commission on human rights;

(4) "Complainant", a person who has filed a complaint with the commission alleging that another person has engaged in a prohibited discriminatory practice;

(5) "Disability", a physical or mental impairment which substantially limits one or more of a person's major life activities, being regarded as having such an impairment, or a record of having such an impairment, which with or without reasonable accommodation does not interfere with performing the job, utilizing the place of public accommodation, or occupying the dwelling in question. For purposes of this chapter, the term "disability" does not include current, illegal use of or addiction to a controlled substance as such term is defined by section 195.010; however, a person may be considered to have a disability if that person:

(a) Has successfully completed a supervised drug rehabilitation program and is no longer engaging in the illegal use of, and is not currently addicted to, a controlled substance or has otherwise been rehabilitated successfully and is no longer engaging in such use and is not currently addicted;

(b) Is participating in a supervised rehabilitation program and is no longer engaging in illegal use of controlled substances; or

(c) Is erroneously regarded as currently illegally using, or being addicted to, a controlled substance;

(6) "Discrimination", conduct proscribed herein, taken because of race, color, religion, national origin, ancestry, sex, or age as it relates to employment, disability, or familial status as it relates to housing;

(7) "Dwelling", any building, structure or portion thereof which is occupied as, or designed or intended for occupancy as, a residence by one or more families, and any vacant land which is offered for sale or lease for the construction or location thereon of any such building, structure or portion thereof;

(8) "Employer", a person engaged in an industry affecting commerce who has six or more employees for each working day in each of twenty or more calendar weeks in the current or preceding calendar year, and shall include the state, or any political or civil subdivision thereof, or any person employing six or more persons within the state but does not include corporations and associations owned or operated by religious or sectarian organizations. "Employer" shall not include:

(a) The United States;

(b) A corporation wholly owned by the government of the United States;

(c) An individual employed by an employer;

(d) An Indian tribe;

(e) Any department or agency of the District of Columbia subject by statute to procedures of the competitive service, as defined in 5 U.S.C. Section 2101; or

(f) A bona fide private membership club, other than a labor organization, that is exempt from taxation under 26 U.S.C. Section 501(c);

(9) "Employment agency" includes any person or agency, public or private, regularly undertaking with or without compensation to procure employees for an employer or to procure for employees opportunities to work for an employer;

(10) "Executive director", the executive director of the Missouri commission on human rights;

(11) "Familial status", one or more individuals who have not attained the age of eighteen years being domiciled with:

(a) A parent or another person having legal custody of such individual; or

(b) The designee of such parent or other person having such custody, with the written permission of such parent or other person. The protections afforded against discrimination because of familial status shall apply to any person who is pregnant or is in the process of securing legal custody of any individual who has not attained the age of eighteen years;

(12) "Human rights fund", a fund established to receive civil penalties as required by federal regulations and as set forth by subdivision (2) of subsection 11 of section 213.075, and which will be disbursed to offset additional expenses related to compliance with the Department of Housing and Urban Development regulations;

(13) "Labor organization" includes any organization which exists for the purpose, in whole or in part, of collective bargaining or of dealing with employers concerning grievances, terms or conditions of employment, or for other mutual aid or protection in relation to employment;

(14) "Local commissions", any commission or agency established prior to August 13, 1986, by an ordinance or order adopted by the governing body of any city, constitutional charter city, town, village, or county;

(15) "Person" includes one or more individuals, corporations, partnerships, associations, organizations, labor organizations, legal representatives, mutual companies, joint stock companies, trusts, trustees, trustees in bankruptcy, receivers, fiduciaries, or other organized groups of persons;

(16) "Places of public accommodation", all places or businesses offering or holding out to the general public, goods, services, privileges, facilities, advantages or accommodations for the peace, comfort, health, welfare and safety of the general public or such public places providing food, shelter, recreation and amusement, including, but not limited to:

(a) Any inn, hotel, motel, or other establishment which provides lodging to transient guests, other than an establishment located within a building which contains not more than five rooms for rent or hire and which is actually occupied by the proprietor of such establishment as his residence;

(b) Any restaurant, cafeteria, lunchroom, lunch counter, soda fountain, or other facility principally engaged in selling food for consumption on the premises, including, but not limited to, any such facility located on the premises of any retail establishment;

(c) Any gasoline station, including all facilities located on the premises of such gasoline station and made available to the patrons thereof;

(d) Any motion picture house, theater, concert hall, sports arena, stadium, or other place of exhibition or entertainment;

(e) Any public facility owned, operated, or managed by or on behalf of this state or any agency or subdivision thereof, or any public corporation; and any such facility supported in whole or in part by public funds;

(f) Any establishment which is physically located within the premises of any establishment otherwise covered by this section or within the premises of which is physically located any such

establishment;

(17) "Rent" includes to lease, to sublease, to let and otherwise to grant for consideration the right to occupy premises not owned by the occupant;

(18) "Respondent", a person who is alleged to have engaged in a prohibited discriminatory practice in a complaint filed with the commission;

(19) "Sex", shall be defined as sex, sexual orientation, and gender identity.

([19]20) "The motivating factor", the employee's protected classification actually played a role in the adverse action or decision and had a determinative influence on the adverse decision or action;

([20]21) "Unlawful discriminatory practice", any act that is unlawful under this chapter.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

RECEIVED

MAR 10 2023

STATE AUDITOR'S OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII, version 4 (2024-096)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Frederic Steinbach on March 9, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County _____

INITIATIVE PETITION

Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____		I, _____ being first duly sworn, say (print names of signers)				
	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Subscribed and sworn to before me this _____ day of _____, A.D. _____	
Printed Name of Affiant	City, State and Zip Code of Affiant	Signature of Notary	Address of Notary

(Seal)

RECEIVED
2023 MAR -9 PM 3:43
[Signature]

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly or through citizen initiative or referendum, shall be clear, unbiased, fair, sufficient, and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. Subject to appropriation and upon request by an election authority, the secretary of state shall provide technical assistance and recommended guidelines for the management, administration, and accuracy of voter rolls and registrations maintained and used by any election authority, including but not limited to signature reviews and removing deceased individuals from the voter rolls, and may provide funding assistance to election authorities.

2. Subject to appropriation and federal law, election authorities shall update all voter rolls which such election authority has control over, upon the proper notification by a state or federal agency of any voter who is not a qualified registered voter in the jurisdiction of such election authority, including deceased individuals.

Section 10. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, has one of its candidates for any statewide office receive more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party, at any two consecutive general elections fails to have at least one candidate for any statewide office receive more than two percent of the entire vote cast for the office.

Section 12. 1. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each eligible registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each eligible registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section, "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

2. In a contest for nomination for or election to an office of a political subdivision or special district, the requirements of this section shall not apply in any circumstance where it conflicts with a federally mandated voting system or with a law or policy adopted in any election after the year 2014 by a majority of the voters casting votes in such election of the subdivision or district.

3. Nothing in this section shall apply to the election of delegates selected by senate district to a constitutional convention under the provisions of Article XII of this Constitution.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to other provisions of this article relating to primaries, voters shall have the freedom to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

5. The instructions on every ballot subject to this section shall state, "Choose ALL candidates you like in each race."

6. The candidate who receives the highest number of votes for each office shall be declared the winner of the election for that office. In all elections where multiple candidates are to be elected for the same office or position, the number of candidates receiving the highest number of votes for the respective number of offices or positions appearing on the ballot shall be elected.

7. Nothing in this section shall authorize or allow any voter to assign to a candidate any order, ranking order, or ranking number, indicating a voter's preference for or against any candidate.

Section 13. 1. The chair of the county committee, or the city committee of a city not within a county, of each established political party with a candidate on the ballot shall have the exclusive right to designate an observer for any polling place on any day in which votes are being cast who may be present until all ballots are cast, and an observer for each location at which absentee ballots or ballots cast on election day are counted, who may be present while the ballots are being prepared for counting and counted and may remain until all ballots are counted. No later than four business days

before the election, the chair shall provide signed designation forms with the names of the designated observers to the local election authority for confirmation of eligibility to serve as an observer. The local election authority shall sign off on the designation forms, unless the observer is found not to have the qualifications established by subsection 3 of this section. If the election authority determines that an observer does not meet the qualifications of subsection 3 of this section, the election authority shall notify the designating party chair and such chair may designate a replacement observer and provide the local election authority with the name of the replacement observer before 5:00 p.m. of the Monday preceding the election. The designating chair may substitute observers, who meet the qualifications of subsection 3, at his or her discretion before 5:00 pm on the Monday preceding the election.

2. An independent candidate shall also have the right to designate an observer in the same manner as each political party, except should more than one independent candidate appear on the ballot, the independent candidates shall agree on a single observer per polling place or location referenced in subsection 1 of this section.

3. All persons selected as observers shall only be required to have the same qualifications required by law for election judges.

4. In a nonpartisan election, each nonpartisan candidate on the ballot shall have the right to designate an observer in the same manner as each political party for each polling place or location at which such candidate appears on the ballot, except should more than three nonpartisan candidates appear on the ballot, the nonpartisan candidates shall agree on no more than two observers per polling place or location referenced in subsection 1 of this section. The General Assembly shall enact laws to provide for procedures to carry out this subsection.

5. For purposes of this section, "observer" shall mean a watcher, challenger, or observer of an election as provided by law.

Section 14. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-096)**

Subject

Initiative petition from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII. (Received March 10, 2023)

Date

March 30, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, the **Clay County Board of Election Commissioners**, and the **State Auditor's Office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-096 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition is a no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-096 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from **Clay County** estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-096 proposing to amend Article VIII.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact for their county.

Officials from the **City of Jefferson** indicated there would be no direct fiscal impact to the City of Jefferson by initiative petition 24-096 proposing to amend Article VIII.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **University of Missouri** indicated they do not anticipate that there will be any fiscal impact.

Officials from the **St. Louis Community College** indicated they have reviewed initiative petition 24-096 and they do not see an additional cost or revenue potential for their college. Understand that personal views on the initiative are not expressed here.

Officials from the **St. Louis County Board of Elections** indicated this initiative petition will have no fiscal impact on their Board of Elections.

Officials from the **Board of Election Commissioners City of St. Louis** indicated this poses no fiscal impact for their organization.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated no software exists that would allow a voter to choose all candidates they like in a race without the ranking of those candidates.

If voters were to choose all candidates they like in a given race it would count as an overvote and that voter's vote would not count.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from the **State Treasurer's office, Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, the St. Charles County Election Authority, the Kansas City Board of Election Commissioners, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

RECEIVED

MAR 10 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII, version 3 (2024-095)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Frederic Steinbach on March 9, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County _____

INITIATIVE PETITION

Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____		I, _____ being first duly sworn, say (print names of signers)				
	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Subscribed and sworn to before me this _____ day of _____, A.D. _____	
Printed Name of Affiant	City, State and Zip Code of Affiant	Signature of Notary	Address of Notary

(Seal)

RECEIVED
2023 MAR -9 PM 3:42
[Signature]

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly or through citizen initiative or referendum, shall be clear, unbiased, fair, sufficient, and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. Subject to appropriation and upon request by an election authority, the secretary of state shall provide technical assistance and recommended guidelines for the management, administration, and accuracy of voter rolls and registrations maintained and used by any election authority, including but not limited to signature reviews and removing deceased individuals from the voter rolls, and may provide funding assistance to election authorities.

2. Subject to appropriation and federal law, election authorities shall update all voter rolls which such election authority has control over, upon the proper notification by a state or federal agency of any voter who is not a qualified registered voter in the jurisdiction of such election authority, including deceased individuals.

Section 10. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, has one of its candidates for any statewide office receive more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party, at any two consecutive general elections fails to have at least one candidate for any statewide office receive more than two percent of the entire vote cast for the office.

Section 12. 1. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each eligible registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each eligible registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section, "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

2. In a contest for nomination for or election to an office of a political subdivision or special district, the requirements of this section shall not apply in any circumstance where it conflicts with a federally mandated voting system or with a law or policy adopted in any election after the year 2014 by a majority of the voters casting votes in such election of the subdivision or district.

3. Nothing in this section shall apply to the election of delegates selected by senate district to a constitutional convention under the provisions of Article XII of this Constitution.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to other provisions of this article relating to primaries, voters shall have the freedom to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

5. The instructions on every ballot subject to this section shall state, "Choose ALL candidates you like in each race."

6. The candidate who receives the highest number of votes for each office shall be declared the winner of the election for that office. In all elections where multiple candidates are to be elected for the same office or position, the number of candidates receiving the highest number of votes for the respective number of offices or positions appearing on the ballot shall be elected.

7. Nothing in this section shall authorize or allow any voter to assign to a candidate any order, ranking order, or ranking number, indicating a voter's preference for or against any candidate.

Section 13. 1. Prior to the certification of the election results, each election authority shall, at a minimum, undertake a manual audit of randomly selected precincts which shall equal the greater of: 5% of all election precincts within the election authority's jurisdiction, one precinct, or any number required by law. No such audit shall be performed, conducted, or overseen by any non-governmental entity. All ballots cast at such election by qualified registered voters in such precincts shall be subject to the manual audit. The manual audit shall be open to the public, be completed

within fourteen (14) days of the conclusion of the election, and document the exact method of random selection to select precincts. Results from the manual audit shall be publicly available within two (2) days after its completion.

2. For the randomly selected precinct(s), the election authority shall manually audit one (1) contested election or ballot issue which shall be randomly selected from each of the following categories, where applicable: (A) Presidential and Vice-Presidential electors, United States senate candidates and state-wide candidates; (B) State-wide ballot issues; (C) United States representative candidates and state general assembly candidates; (D) Partisan circuit and associate circuit judge candidates and all nonpartisan judicial retention candidates; and (E) all remaining candidates or ballot issues for the remaining political subdivisions and special districts, including the county, in the randomly selected precincts. In addition to the randomly selected office or ballot measure above, the election authority shall manually audit all races in which the margin of victory between the two (2) top candidates is equal to or less than one-half of one percent (0.5%) of the number of votes cast for the office.

3. If, based on the manual audit, the election authority finds evidence of errors in the original tabulation that could change the result of any election or would exceed a threshold established by law, the election authority shall immediately notify the candidates in such election of the evidence of errors in the tabulation and such candidates may request a manual recount of all ballots in that election as provided by law.

Section 14. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-095)**

Subject

Initiative petition from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII. (Received March 10, 2023)

Date

March 30, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, the **Clay County Board of Election Commissioners**, and the **State Auditor's Office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-095 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-095 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from **Clay County** estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-095 proposing to amend Article VIII.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact for their county.

Officials from the **City of Jefferson** indicated there would be no direct fiscal impact to the City of Jefferson by initiative petition 24-095 proposing to amend Article VIII.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **University of Missouri** indicated they do not anticipate that there will be any fiscal impact.

Officials from the **St. Louis Community College** indicated they have reviewed initiative petition 24-095 and they do not see an additional cost or revenue potential for their college. Understand that personal views on the initiative are not expressed here.

Officials from the **St. Louis County Board of Elections** indicated this initiative petition will have no fiscal impact on their Board of Elections.

Officials from the **Board of Election Commissioners City of St. Louis** indicated this petition has no perceived impact on their organization.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated no software exists that would allow a voter to choose all candidates they like in a race without the ranking of those candidates.

If voters were to choose all candidates, they like in a given race it would count as an overvote, and that voter's vote would not count.

Section 13.1 (3)

If an error occurs in tabulation of a race a manual recount would most likely be needed for the entire ballot. While this is unlikely the cost would increase dramatically for that election.

Hand counting is extremely time consuming and would require hiring of additional part-time staff to conduct the count within the two week timeframe for timely certification of the election. Depending on the election (number of races) the fiscal impact could be between \$5,000.00 - \$15,000.00.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from the **State Treasurer's office, Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, the St. Charles County Election Authority, the Kansas City Board of Election Commissioners, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

MAR 10 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII, version 2 (2024-094)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Frederic Steinbach on March 9, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STABLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County _____

INITIATIVE PETITION

Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____		I, _____ being first duly sworn, say (print names of signers)				
	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Subscribed and sworn to before me this _____ day of _____, A.D. _____	
Printed Name of Affiant	City, State and Zip Code of Affiant	Signature of Notary	Address of Notary

(Seal)

RECEIVED
2023 MAR -9 PM 3:41
John R. Ashcroft

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting five new Sections to be known as Article VIII, Sections 8, 9, 10, 12, and 13.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting five new Sections to be known as Article VIII, Sections 8, 9, 10, 12, and 13 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly or through citizen initiative or referendum, shall be clear, unbiased, fair, sufficient, and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. Subject to appropriation and upon request by an election authority, the secretary of state shall provide technical assistance and recommended guidelines for the management, administration, and accuracy of voter rolls and registrations maintained and used by any election authority, including but not limited to signature reviews and removing deceased individuals from the voter rolls, and may provide funding assistance to election authorities.

2. Subject to appropriation and federal law, election authorities shall update all voter rolls which such election authority has control over, upon the proper notification by a state or federal agency of any voter who is not a qualified registered voter in the jurisdiction of such election authority, including deceased individuals.

Section 10. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, has one of its candidates for any statewide office receive more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party, at any two consecutive general elections fails to have at least one candidate for any statewide office receive more than two percent of the entire vote cast for the office.

Section 12. 1. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each eligible registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each eligible registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section, "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

2. In a contest for nomination for or election to an office of a political subdivision or special district, the requirements of this section shall not apply in any circumstance where it conflicts with a federally mandated voting system or with a law or policy adopted in any election after the year 2014 by a majority of the voters casting votes in such election of the subdivision or district.

3. Nothing in this section shall apply to the election of delegates selected by senate district to a constitutional convention under the provisions of Article XII of this Constitution.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to other provisions of this article relating to primaries, voters shall have the freedom to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

5. The instructions on every ballot subject to this section shall state, "Choose ALL candidates you like in each race."

6. The candidate who receives the highest number of votes for each office shall be declared the winner of the election for that office. In all elections where multiple candidates are to be elected for the same office or position, the number of candidates receiving the highest number of votes for the respective number of offices or positions appearing on the ballot shall be elected.

7. Nothing in this section shall authorize or allow any voter to assign to a candidate any order, ranking order, or ranking number, indicating a voter's preference for or against any candidate.

Section 13. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-094)**

Subject

Initiative petition from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII. (Received March 10, 2023)

Date

March 30, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, the **Clay County Board of Election Commissioners**, and the **State Auditor's Office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-094 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-094 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from **Clay County** estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-094 proposing to amend Article VIII.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact for their county.

Officials from the **City of Jefferson** indicated there would be no direct fiscal impact to the City of Jefferson by initiative petition 24-094 proposing to amend Article VIII.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **University of Missouri** indicated they do not anticipate that there will be any fiscal impact.

Officials from the **St. Louis Community College** indicated they have reviewed initiative petition 24-094 and they do not see an additional cost or revenue potential for their college. Understand that personal views on the initiative are not expressed here.

Officials from the **St. Louis County Board of Elections** indicated this initiative petition will have no fiscal impact on their Board of Elections.

Officials from the **Board of Election Commissioners City of St. Louis** indicated this poses no fiscal impact for their organization.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated no software exists that would allow a voter to choose all candidates they like in a race without the ranking of those candidates.

If voters were to choose all candidates they like in a given race it would count as an overvote and that voter's vote would not count.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from the **State Treasurer's office, Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, the St. Charles County Election Authority, the Kansas City Board of Election Commissioners, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

MAR 10 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII, version 1 (2024-093)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Frederic Steinbach on March 9, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County _____

INITIATIVE PETITION


Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
2						
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2023 MAR -9 PM 3:40
RECEIVED


signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Subscribed and sworn to before me this _____ day of _____, A.D. _____	
Printed Name of Affiant	City, State and Zip Code of Affiant	Signature of Notary	Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting four new Sections to be known as Article VIII, Sections 8, 9, 10, and 12.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting four new Sections to be known as Article VIII, Sections 8, 9, 10, and 12 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly or through citizen initiative or referendum, shall be clear, unbiased, fair, sufficient, and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, “established political party” shall mean a political party which, at either of the last two general elections, has one of its candidates for any statewide office receive more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party, at any two consecutive general elections fails to have at least one candidate for any statewide office receive more than two percent of the entire vote cast for the office.

4. Any person desiring to be an independent candidate for any state or federal office to be filled by voters shall file a petition with the secretary of state. Any person desiring to be an independent candidate for any county office shall file a petition with the election authority of the county. If an independent candidate is to be nominated for a statewide office, the petition shall be signed by at least ten thousand registered voters of the state. If the independent candidate is to be nominated for a district or county office, the petition shall be signed by the number of registered voters in the district or county which is equal to at least two percent of the total number of voters who voted at the last general election for candidates for the office being sought or is equal to ten thousand voters, whichever is less.

Section 10. 1. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each eligible registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each eligible registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section, “nonpartisan candidate” shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

2. In a contest for nomination for or election to an office of a political subdivision or special district, the requirements of this section shall not apply in any circumstance where it conflicts with a federally mandated voting system or with a law or policy adopted in any election after the year 2014 by a majority of the voters casting votes in such election of the subdivision or district.

3. Nothing in this section shall apply to the election of delegates selected by senate district to a constitutional convention under the provisions of Article XII of this Constitution.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to other provisions of this article relating to primaries, voters shall have the freedom to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

5. The instructions on every ballot subject to this section shall state, “Choose ALL candidates you like in each race.”

6. The candidate who receives the highest number of votes for each office shall be declared the winner of the election for that office. In all elections where multiple candidates are to be elected for the same office or position, the number of candidates receiving the highest number of votes for the respective number of offices or positions appearing on the ballot shall be elected.

7. Nothing in this section shall authorize or allow any voter to assign to a candidate any order, ranking order, or ranking number, indicating a voter’s preference for or against any candidate.

Section 12. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-093)**

Subject

Initiative petition from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII. (Received March 10, 2023)

Date

March 30, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, the **Clay County Board of Election Commissioners**, and the **State Auditor's Office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-093 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-093 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from **Clay County** estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-093 proposing to amend Article VIII.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Jefferson** indicated there would be no direct fiscal impact to the City of Jefferson by initiative petition 24-093 proposing to amend Article VIII.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **University of Missouri** indicated they do not anticipate a fiscal impact caused by this petition.

Officials from the **St. Louis Community College** indicated they have reviewed initiative petition 24-093 and they do not see an additional cost or revenue potential for their college.

Officials from the **St. Louis County Board of Elections** indicated this initiative petition will have no fiscal impact on their Board of Elections.

Officials from the **Board of Election Commissioners City of St. Louis** indicated this poses no fiscal impact for their organization.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated no software exists that would allow a voter to choose all candidates they like in a race without the ranking of those candidates.

If voters were to choose all candidates they like in a given race it would count as an overvote and that voter's vote would not count.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from the **State Treasurer's office, Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, the St. Charles County Election Authority, the Kansas City Board of Election Commissioners, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

MAR 09 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII, version 5 (2024-092)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Frederic Steinbach on March 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STABLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County _____

INITIATIVE PETITION

Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
2						
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2023 MAR - 8 PM 4: 21
RECEIVED
[Signature]

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Subscribed and sworn to before me this _____ day of _____, A.D. _____	(Seal)
Printed Name of Affiant	City, State and Zip Code of Affiant	Signature of Notary	Address of Notary

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting seven new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, 14, and 25.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting seven new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, 14, and 25 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly, or through citizen initiative or referendum, shall be clear, unbiased, fair, sufficient, and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. Subject to appropriation and upon request by an election authority, the secretary of state shall provide technical assistance and recommended guidelines for the management, administration, and accuracy of voter rolls and registrations maintained and used by any election authority, including but not limited to signature reviews and removing deceased individuals from the voter rolls, and may provide funding assistance to election authorities.

2. Subject to appropriation and federal law, election authorities shall update all voter rolls which such election authority has control over, upon the proper notification by a state or federal agency of any voter who is not a qualified registered voter in the jurisdiction of such election authority, including deceased individuals.

Section 10. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, has one of its candidates for any statewide office receive more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party at any two consecutive general elections fails to have at least one candidate for any statewide office receive more than two percent of the entire vote cast for the office.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to the provisions of this section relating to primaries, voters shall have the freedom to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

Section 12. 1. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each eligible registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each eligible registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

2. In a contest for nomination for or election to an office of a political subdivision or special district, the requirements of this section shall not apply in any circumstance where it conflicts with a federally mandated voting system or with a law or policy adopted in any election after the year 2014 by a majority of the voters casting votes in such election of the subdivision or district.

3. Nothing in this section shall apply to the election of delegates selected by senate district to a constitutional convention under the provisions of Article XII of this Constitution.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to the provisions of this section relating to primaries, voters shall have the freedom to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

5. The instructions on every ballot subject to this section shall state, "Choose ALL candidates you like in each race."

6. The candidate who receives the highest number of votes for each office shall be declared the winner of the election for that office. In all elections where multiple candidates are to be elected for the same office or position, the number of candidates receiving the highest number of votes for the respective number of offices or positions appearing on the ballot shall be elected.

7. Nothing in this section shall authorize or allow any voter to assign to a candidate any order, ranking order, or ranking number, indicating a voter's preference for or against any candidate.

Section 13. 1. The chair of the county committee, or the city committee of a city not within a county, of each established political party with a candidate on the ballot shall have the exclusive right to designate an observer for any polling place on any day in which votes are being cast who may be present until all ballots are cast, and an observer for each location at which absentee ballots or ballots cast on election day are counted, who may be present while the ballots are being prepared for counting and counted and may remain until all ballots are counted. No later than four business days before the election, the chair shall provide signed designation forms with the names of the designated observers to the local election authority for confirmation of eligibility to serve as an observer. The local election authority shall sign off on the designation forms, unless the observer is found not to have the qualifications established by subsection 3 of this section. If the election authority determines that an observer does not meet the qualifications of subsection 3 of this section, the election authority shall notify the designating party chair and such chair may designate a replacement observer and provide the local election authority with the name of the replacement observer before 5:00 p.m. of the Monday preceding the election. The designating chair may substitute observers who meet the qualifications of subsection 3, at his or her discretion before 5:00 pm on the Monday preceding the election.

2. An independent candidate shall also have the right to designate an observer in the same manner as each political party, except should more than one independent candidate appear on the ballot the independent candidates shall agree on a single observer per polling place or location referenced in subsection 1 of this section.

3. All persons selected as observers shall only be required to have the same qualifications required by law for election judges.

4. In a nonpartisan election, each nonpartisan candidate on the ballot shall have the right to designate an observer in the same manner as each political party for each polling place or location at which such candidate appears on the ballot, except should more than three nonpartisan candidates appear on the ballot, the nonpartisan candidates shall agree on no more than two observers per polling place or location referenced in subsection 1 of this section. The General Assembly shall enact laws to provide for procedures to carry out this subsection.

5. For purposes of this section, "observer" shall mean a watcher, challenger, or observer of an election as provided by law.

Section 14. 1. Prior to the certification of the election results, each election authority shall, at a minimum, undertake a manual audit of randomly selected precincts which shall equal the greater of: 5% of all election precincts within the election authority's jurisdiction, one precinct, or any number required by law. No such audit shall be performed, conducted, or overseen by any non-governmental entity. All ballots cast at such election by qualified registered voters in such precincts shall be subject to the manual audit. The manual audit shall be open to the public, be completed within fourteen (14) days of the conclusion of the election and document the exact method of random selection to select precincts. Results from the manual audit shall be publicly available within two (2) days after its completion.

2. For the randomly selected precinct(s), the election authority shall manually audit one (1) contested election or ballot issue which shall be randomly selected from each of the following categories, where applicable: (A) Presidential and Vice-Presidential electors, United States senate candidates and state-wide candidates; (B) State-wide ballot issues; (C) United States representative candidates and state general assembly candidates; (D) Partisan circuit and associate circuit judge candidates and all nonpartisan judicial retention candidates; and (E) all remaining candidates or ballot issues for the remaining all political subdivisions and special districts, including the county, in the randomly selected precincts. In addition to the randomly selected office or ballot measure above, the election authority shall manually audit all races in which the margin of victory between the two (2) top candidates is equal to or less than one-half of one percent (0.5%) of the number of votes cast for the office.

3. If, based on the manual audit, the election authority finds evidence of errors in the original tabulation that could change the result of any election or would exceed a threshold established by law, the election authority shall immediately notify the candidates in such election of the evidence of errors in the tabulation and such candidates may request a manual recount of all ballots in that election as provided by law.

Section 25. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-092)**

Subject

Initiative petition from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII. (Received March 9, 2023)

Date

March 29, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, the **Clay County Board of Election Commissioners**, and the **State Auditor's Office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-092 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated the initiative petition does not have an impact on their department.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-092 has no anticipated fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated there will be no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition 24-092 proposing to amend Article VIII.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact for their county.

Officials from the **City of Jefferson** indicated they do not think there would be a direct fiscal impact to the City of Jefferson imposed by Initiative Petition 24-092 proposing to amend Article VIII.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **University of Missouri** indicated they have no fiscal impact from this petition.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and believe the initiative would have no direct cost or revenue impact.

Officials from the **St. Louis County Board of Elections** indicated this initiative petition will have no fiscal impact on their Board of Elections.

Officials from the **Board of Election Commissioners City of St. Louis** indicated this provision has no perceived impact on their organization.

Officials from the **Kansas City Board of Election Commissioners** indicated there is no fiscal impact to their operations with this petition.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated no software exists that would allow a voter to choose all candidates they like in a race without the ranking of those candidates.

If voters were to choose all candidates they like in a race it would count as an overvote, and that voter's vote would not count.

Section 14.1 (3)

If an error occurs in tabulation of a race a manual recount would most likely be needed for the entire ballot. While this is unlikely the cost would increase dramatically for that election.

Hand counting is extremely time consuming and would require hiring of additional part-time staff to conduct the count within the two-week timeframe for timely certification of the election. Depending on the election (number of races) the fiscal impact could be between \$5,000.00 - \$15,000.00.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, the St. Charles County Election Authority, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

MAR 09 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII, version 4 (2024-091)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Frederic Steinbach on March 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County _____

INITIATIVE PETITION

Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____

I, _____ being first duly sworn, say (print names of signers)

	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

John R. Ashcroft
2023 MAR -8 PM 4:20

RECEIVED

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. _____

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly, or through citizen initiative or referendum, shall be clear, unbiased, fair, sufficient, and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. Subject to appropriation and upon request by an election authority, the secretary of state shall provide technical assistance and recommended guidelines for the management, administration, and accuracy of voter rolls and registrations maintained and used by any election authority, including but not limited to signature reviews and removing deceased individuals from the voter rolls, and may provide funding assistance to election authorities.

2. Subject to appropriation and federal law, election authorities shall update all voter rolls which such election authority has control over, upon the proper notification by a state or federal agency of any voter who is not a qualified registered voter in the jurisdiction of such election authority, including deceased individuals.

Section 10. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, has one of its candidates for any statewide office receive more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party at any two consecutive general elections fails to have at least one candidate for any statewide office receive more than two percent of the entire vote cast for the office.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to the provisions of this section relating to primaries, voters shall have the freedom to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

Section 12. 1. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each eligible registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each eligible registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

2. In a contest for nomination for or election to an office of a political subdivision or special district, the requirements of this section shall not apply in any circumstance where it conflicts with a federally mandated voting system or with a law or policy adopted in any election after the year 2014 by a majority of the voters casting votes in such election of the subdivision or district.

3. Nothing in this section shall apply to the election of delegates selected by senate district to a constitutional convention under the provisions of Article XII of this Constitution.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to the provisions of this section relating to primaries, voters shall have the freedom to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

5. The instructions on every ballot subject to this section shall state, "Choose ALL candidates you like in each race."

6. The candidate who receives the highest number of votes for each office shall be declared the winner of the election for that office. In all elections where multiple candidates are to be elected for the same office or position, the number of candidates receiving the highest number of votes for the respective number of offices or positions appearing on the ballot shall be elected.

7. Nothing in this section shall authorize or allow any voter to assign to a candidate any order, ranking order, or ranking number, indicating a voter's preference for or against any candidate.

Section 13. 1. The chair of the county committee, or the city committee of a city not within a county, of each established political party with a candidate on the ballot shall have the exclusive right to designate an observer for any polling place on any day in which votes are being cast who may be present until all ballots are cast, and an observer for each location at which absentee ballots or ballots cast on election day are counted, who may be present while the ballots are being prepared for counting and counted and may remain until all ballots are counted. No later than four business days before the election, the chair shall provide signed designation forms with the names of the designated observers to the local election authority for confirmation of eligibility to serve as an observer. The local election authority shall sign off on the designation forms, unless the observer is found not to have the qualifications established by subsection 3 of this section. If the election authority determines that an observer does not meet the qualifications of subsection 3 of this section, the election authority shall notify the designating party chair and such chair may designate a replacement observer and provide the local election authority with the name of the replacement observer before 5:00 p.m. of the Monday preceding the election. The designating chair may substitute observers who meet the qualifications of subsection 3, at his or her discretion before 5:00 pm on the Monday preceding the election.

2. An independent candidate shall also have the right to designate an observer in the same manner as each political party, except should more than one independent candidate appear on the ballot the independent candidates shall agree on a single observer per polling place or location referenced in subsection 1 of this section.

3. All persons selected as observers shall only be required to have the same qualifications required by law for election judges.

4. In a nonpartisan election, each nonpartisan candidate on the ballot shall have the right to designate an observer in the same manner as each political party for each polling place or location at which such candidate appears on the ballot, except should more than three nonpartisan candidates appear on the ballot, the nonpartisan candidates shall agree on no more than two observers per polling place or location referenced in subsection 1 of this section. The General Assembly shall enact laws to provide for procedures to carry out this subsection.

5. For purposes of this section, "observer" shall mean a watcher, challenger, or observer of an election as provided by law.

Section 14. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-091)**

Subject

Initiative petition from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII. (Received March 9, 2023)

Date

March 29, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, the **Clay County Board of Election Commissioners**, and the **State Auditor's Office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-091 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated the initiative petition does not have an impact on their department.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-091 has no anticipated fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

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For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated there will be no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition 24-091 proposing to amend Article VIII.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact for their county.

Officials from the **City of Jefferson** indicated they do not think there would be a direct fiscal impact to the City of Jefferson imposed by Initiative Petition 24-091 proposing to amend Article VIII.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **University of Missouri** indicated they have no fiscal impact from this petition.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and believe the initiative would have no direct cost or revenue impact.

Officials from the **St. Louis County Board of Elections** indicated this initiative petition will have no fiscal impact on their Board of Elections.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no perceived fiscal impact.

Officials from the **Kansas City Board of Election Commissioners** indicated there is no fiscal impact to their operations with this petition.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated no software exists that would allow a voter to choose all candidates they like in a race without the ranking of those candidates.

If voters were to choose all candidates they like in a race it would count as an overvote, and that voter's vote would not count.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, the St. Charles County Election Authority, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

MAR 09 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII, version 3 (2024-090)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Frederic Steinbach on March 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STALE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

County _____
Page No. _____


To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____		I, _____ being first duly sworn, say (print names of signers)				
	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

RECEIVED

MAR - 8 PM 4:19


J. Blount

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2023 MAR - 8 PM 4:19
John R. Ashcroft

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Subscribed and sworn to before me this _____ day of _____, A.D. _____	(Seal)
Printed Name of Affiant	City, State and Zip Code of Affiant	Signature of Notary Address of Notary	

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly, or through citizen initiative or referendum, shall be clear, unbiased, fair, sufficient, and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. Subject to appropriation and upon request by an election authority, the secretary of state shall provide technical assistance and recommended guidelines for the management, administration, and accuracy of voter rolls and registrations maintained and used by any election authority, including but not limited to signature reviews and removing deceased individuals from the voter rolls, and may provide funding assistance to election authorities.

2. Subject to appropriation and federal law, election authorities shall update all voter rolls which such election authority has control over, upon the proper notification by a state or federal agency of any voter who is not a qualified registered voter in the jurisdiction of such election authority, including deceased individuals.

Section 10. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, has one of its candidates for any statewide office receive more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party at any two consecutive general elections fails to have at least one candidate for any statewide office receive more than two percent of the entire vote cast for the office.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to the provisions of this section relating to primaries, voters shall have the freedom to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

Section 12. 1. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each eligible registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each eligible registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

2. In a contest for nomination for or election to an office of a political subdivision or special district, the requirements of this section shall not apply in any circumstance where it conflicts with a federally mandated voting system or with a law or policy adopted in any election after the year 2014 by a majority of the voters casting votes in such election of the subdivision or district.

3. Nothing in this section shall apply to the election of delegates selected by senate district to a constitutional convention under the provisions of Article XII of this Constitution.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to the provisions of this section relating to primaries, voters shall have the freedom to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

5. The instructions on every ballot subject to this section shall state, "Choose ALL candidates you like in each race."

6. The candidate who receives the highest number of votes for each office shall be declared the winner of the election for that office. In all elections where multiple candidates are to be elected for the same office or position, the number of candidates receiving the highest number of votes for the respective number of offices or positions appearing on the ballot shall be elected.

7. Nothing in this section shall authorize or allow any voter to assign to a candidate any order, ranking order, or ranking number, indicating a voter's preference for or against any candidate.

Section 13. 1. Prior to the certification of the election results, each election authority shall, at a minimum, undertake a manual audit of randomly selected precincts which shall equal the greater of: 5% of all election precincts within the election authority's jurisdiction, one precinct, or any number required by law. No such audit shall be performed, conducted, or overseen by any non-governmental entity. All ballots cast at such election by qualified registered voters in such precincts shall be subject to the manual audit. The manual audit shall be open to the public, be completed within fourteen (14) days of the conclusion of the election and document the exact method of random selection to select precincts. Results from the manual audit shall be publicly available within two (2) days after its completion.

2. For the randomly selected precinct(s), the election authority shall manually audit one (1) contested election or ballot issue which shall be randomly selected from each of the following categories, where applicable: (A) Presidential and Vice-Presidential electors, United States senate candidates and state-wide candidates; (B) State-wide ballot issues; (C) United States representative candidates and state general assembly candidates; (D) Partisan circuit and associate circuit judge candidates and all nonpartisan judicial retention candidates; and (E) all remaining candidates or ballot issues for the remaining all political subdivisions and special districts, including the county, in the randomly selected precincts. In addition to the randomly selected office or ballot measure above, the election authority shall manually audit all races in which the margin of victory between the two (2) top candidates is equal to or less than one-half of one percent (0.5%) of the number of votes cast for the office.

3. If, based on the manual audit, the election authority finds evidence of errors in the original tabulation that could change the result of any election or would exceed a threshold established by law, the election authority shall immediately notify the candidates in such election of the evidence of errors in the tabulation and such candidates may request a manual recount of all ballots in that election as provided by law.

Section 14. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-090)**

Subject

Initiative petition from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII. (Received March 9, 2023)

Date

March 29, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, the **Clay County Board of Election Commissioners**, and the **State Auditor's Office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-090 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated the initiative petition does not have an impact on their department.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-090 has no anticipated fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office is anticipated.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition 24-090 proposing to amend Article VIII.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact for their county.

Officials from the **City of Jefferson** indicated they do not think there would be a direct fiscal impact to the City of Jefferson imposed by Initiative Petition 24-090 proposing to amend Article VIII.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **University of Missouri** indicated they have no fiscal impact from this petition.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and believe the initiative would have no direct cost or revenue impact.

Officials from the **St. Louis County Board of Elections** indicated this initiative petition will have no fiscal impact on their Board of Elections.

Officials from the **Board of Election Commissioners City of St. Louis** indicated there is no perceived fiscal impact on their board.

Officials from the **Kansas City Board of Election Commissioners** indicated there is no fiscal impact with this petition to their operations.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated no software exists that would allow a voter to choose all candidates they like in a race without the ranking of those candidates.

If voters were to choose all candidates they like in a race it would count as an overvote, and that voter's vote would not count.

Section 13.1 (3)

If an error occurs in tabulation of a race a manual recount would most likely be needed for the entire ballot. While this is unlikely the cost would increase dramatically for that election.

Hand counting is extremely time consuming and would require hiring of additional part-time staff to conduct the count within the two-week timeframe for timely certification of the election. Depending on the election (number of races) the fiscal impact could be between \$5,000.00 - \$15,000.00.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, the St. Charles County Election Authority, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

RECEIVED

MAR 09 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII, version 2 (2024-089)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Frederic Steinbach on March 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

CIRCULATOR'S AFFIDAVIT

	STATE OF MISSOURI, COUNTY OF _____	I, _____ being first duly sworn, say (print names of signers)					
	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name	
1							
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Subscribed and sworn to before me this _____ day of _____, A.D. _____	
Printed Name of Affiant	City, State and Zip Code of Affiant	Signature of Notary	Address of Notary
			(Seal)

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NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting five new Sections to be known as Article VIII, Sections 8, 9, 10, 12, and 13.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting five new Sections to be known as Article VIII, Sections 8, 9, 10, 12, and 13 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly, or through citizen initiative or referendum, shall be clear, unbiased, fair, sufficient, and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. Subject to appropriation and upon request by an election authority, the secretary of state shall provide technical assistance and recommended guidelines for the management, administration, and accuracy of voter rolls and registrations maintained and used by any election authority, including but not limited to signature reviews and removing deceased individuals from the voter rolls, and may provide funding assistance to election authorities.

2. Subject to appropriation and federal law, election authorities shall update all voter rolls which such election authority has control over, upon the proper notification by a state or federal agency of any voter who is not a qualified registered voter in the jurisdiction of such election authority, including deceased individuals.

Section 10. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, has one of its candidates for any statewide office receive more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party at any two consecutive general elections fails to have at least one candidate for any statewide office receive more than two percent of the entire vote cast for the office.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to the provisions of this section relating to primaries, voters shall have the freedom to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

Section 12. 1. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each eligible registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each eligible registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

2. In a contest for nomination for or election to an office of a political subdivision or special district, the requirements of this section shall not apply in any circumstance where it conflicts with a federally mandated voting system or with a law or policy adopted in any election after the year 2014 by a majority of the voters casting votes in such election of the subdivision or district.

3. Nothing in this section shall apply to the election of delegates selected by senate district to a constitutional convention under the provisions of Article XII of this Constitution.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to the provisions of this section relating to primaries, voters shall have the freedom to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

5. The instructions on every ballot subject to this section shall state, "Choose ALL candidates you like in each race."

6. The candidate who receives the highest number of votes for each office shall be declared the winner of the election for that office. In all elections where multiple candidates are to be elected for the same office or position, the number of candidates receiving the highest number of votes for the respective number of offices or positions appearing on the ballot shall be elected.

7. Nothing in this section shall authorize or allow any voter to assign to a candidate any order, ranking order, or ranking number, indicating a voter's preference for or against any candidate.

Section 13. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-089)**

Subject

Initiative petition from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII. (Received March 9, 2023)

Date

March 29, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, the **Clay County Board of Election Commissioners**, and the **State Auditor's Office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-089 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated the initiative petition does not have an impact on their department.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-089 has no anticipated fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated there will be no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition 24-089 proposing to amend Article VIII.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact for their county.

Officials from the **City of Jefferson** indicated they do not think there would be a direct fiscal impact to the City of Jefferson imposed by Initiative Petition 24-089 proposing to amend Article VIII.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **University of Missouri** indicated they have no fiscal impact from this petition.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and believe the initiative would have no direct cost or revenue impact.

Officials from the **St. Louis County Board of Elections** indicated this initiative petition will have no fiscal impact on their Board of Elections.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no perceived fiscal impact.

Officials from the **Kansas City Board of Election Commissioners** indicated they see no fiscal impact with this petition.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated no software exists that would allow a voter to choose all candidates they like in a race without the ranking of those candidates.

If voters were to choose all candidates they like in a race it would count as an overvote, and that voter's vote would not count.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, the St. Charles County Election Authority, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

RECEIVED

MAR 09 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII, version 1 (2024-088)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Frederic Steinbach on March 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____		I, _____ being first duly sworn, say (print names of signers)						
	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District		Printed First and Last Name	
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Subscribed and sworn to before me this _____ day of _____, A.D. _____	(Seal)
Printed Name of Affiant	City, State and Zip Code of Affiant	Signature of Notary Address of Notary	

RECEIVED
2023 MAR -8 PM 4:17
John R. Ashcroft

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting four new Sections to be known as Article VIII, Sections 8, 9, 10, and 12.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting four new Sections to be known as Article VIII, Sections 8, 9, 10, and 12 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly, or through citizen initiative or referendum, shall be clear, unbiased, fair, sufficient, and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, has one of its candidates for any statewide office receive more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party at any two consecutive general elections fails to have at least one candidate for any statewide office receive more than two percent of the entire vote cast for the office.

4. Any person desiring to be an independent candidate for any state or federal office to be filled by voters, shall file a petition with the secretary of state. Any person desiring to be an independent candidate for any county office shall file a petition with the election authority of the county. If an independent candidate is to be nominated for a statewide office, the petition shall be signed by at least ten thousand registered voters of the state. If the independent candidate is to be nominated for a district or county office, the petition shall be signed by the number of registered voters in the district or county which is equal to at least two percent of the total number of voters who voted at the last general election for candidates for the office being sought or is equal to ten thousand voters, whichever is less.

Section 10. 1. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each eligible registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each eligible registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

2. In a contest for nomination for or election to an office of a political subdivision or special district, the requirements of this section shall not apply in any circumstance where it conflicts with a federally mandated voting system or with a law or policy adopted in any election after the year 2014 by a majority of the voters casting votes in such election of the subdivision or district.

3. Nothing in this section shall apply to the election of delegates selected by senate district to a constitutional convention under the provisions of Article XII of this Constitution.

4. Notwithstanding any other provision of this Constitution to the contrary and subject to the provisions of this section relating to primaries, voters shall have the freedom to choose all the candidates they like in each primary, special, and general election race conducted by election authorities in the State of Missouri, including all subdivisions therein, held on or after the enactment of this section.

5. The instructions on every ballot subject to this section shall state, "Choose ALL candidates you like in each race."

6. The candidate who receives the highest number of votes for each office shall be declared the winner of the election for that office. In all elections where multiple candidates are to be elected for the same office or position, the number of candidates receiving the highest number of votes for the respective number of offices or positions appearing on the ballot shall be elected.

7. Nothing in this section shall authorize or allow any voter to assign to a candidate any order, ranking order, or ranking number, indicating a voter's preference for or against any candidate.

Section 12. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-088)**

Subject

Initiative petition from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII. (Received March 9, 2023)

Date

March 29, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, the **Clay County Board of Election Commissioners**, and the **State Auditor's Office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-088 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated the initiative petition does not have an impact on their department.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated initiative petition 24-088 has no anticipated fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission for this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to initiatives/referendums and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated there will be no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition 24-088 proposing to amend Article VIII.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact for their county.

Officials from the **City of Jefferson** indicated they do not think there would be a direct fiscal impact to the City of Jefferson imposed by Initiative Petition 24-088 proposing to amend Article VIII.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and believe the initiative would have no direct cost or revenue impact.

Officials from the **St. Louis County Board of Elections** indicated this initiative petition will have no fiscal impact on their Board of Elections.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no perceived fiscal impact.

Officials from the **Kansas City Board of Election Commissioners** indicated they see no fiscal impact with this petition.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated no software exists that would allow a voter to choose all candidates they like in a race without the ranking of those candidates.

If voters were to choose all candidates they like in a given race it would count as an overvote, and that voter's vote would not count.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the St. Charles County Election Authority, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

MAR 09 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Anna Fitz-James regarding a proposed constitutional amendment to Article I, version 11 (2024-087)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Anna Fitz-James on March 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

RECEIVED
2023 MAR -8 PM 3:27
B. Ashcroft

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

My Commission Expires: _____ (Seal)

NOTICE: The proposed amendment revises Article I of the Constitution by adopting one new Section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article I of the Constitution is revised by adopting one new Section to be known as Article I, Section 36 to read as follows:

Section 36. 1. This Section shall be known as “The Right to Reproductive Freedom Initiative.”

2. The Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom, which is the right to make and carry out decisions about all matters relating to reproductive health care, including but not limited to prenatal care, childbirth, postpartum care, birth control, abortion care, miscarriage care, and respectful birthing conditions.

3. The right to reproductive freedom shall not be denied, interfered with, delayed, or otherwise restricted unless the Government demonstrates that such action is justified by a compelling governmental interest achieved by the least restrictive means. Any denial, interference, delay, or restriction of the right to reproductive freedom shall be presumed invalid. For purposes of this Section, a governmental interest is compelling only if it is for the limited purpose and has the limited effect of improving or maintaining the health of a person seeking care, is consistent with widely accepted clinical standards of practice and evidence-based medicine, and does not infringe on that person’s autonomous decision-making.

4. Notwithstanding subsection 3 of this Section, the general assembly may enact laws that regulate the provision of abortion after Fetal Viability provided that under no circumstance shall the Government deny, interfere with, delay, or otherwise restrict an abortion that in the good faith judgment of a treating health care professional is needed to protect the life or physical or mental health of the pregnant person.

5. No person shall be penalized, prosecuted, or otherwise subjected to adverse action based on their actual, potential, perceived, or alleged pregnancy outcomes, including but not limited to miscarriage, stillbirth, or abortion. Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.

6. The Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.

7. Nothing in this Section requires government funding of abortion procedures.

8. If any provision of this Section or the application thereof to anyone or to any circumstance is held invalid, the remainder of those provisions and the application of such provisions to others or other circumstances shall not be affected thereby.

9. For purposes of this Section, the following terms mean:

(1) “Fetal Viability”, the point in pregnancy when, in the good faith judgment of a treating health care professional and based on the particular facts of the case, there is a significant likelihood of the fetus’s sustained survival outside the uterus without the application of extraordinary medical measures.

(2) “Government”,

a. the state of Missouri; or

b. any municipality, city, town, village, township, district, authority, public subdivision or public corporation having the power to tax or regulate, or any portion of two or more such entities within the state of Missouri.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-087)**

Subject

Initiative petition from Anna Fitz-James regarding a proposed constitutional amendment to Article I. (Received March 9, 2023)

Date

March 29, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Susan Klein, Executive Director, Missouri Right to Life provided information to the State Auditor's office.

Samuel H. Lee, Campaign Life Missouri provided information to the State Auditor's office.

David C. Drury, Attorney at Law provided information to the State Auditor's office.

Rachel U. Greszler, Senior Research Fellow in Economics, Budgets and Entitlements, The Heritage Foundation provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-087 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated changes to the bill are as follows:

Initiative petition 24-087 is identical to 24-077 with the following exceptions:

Adds new Section 36.4, which states "Notwithstanding subsection 3 of this Section, the general assembly may enact laws that regulate the provision of abortion after Fetal Viability provided that under no circumstance shall the Government deny, burden, or otherwise restrict an abortion that in the good faith judgement of a treating health care professional is needed to protect the life or physical or mental health of the pregnant person."

Removes "other than as required by federal law" from Section 36.7 (Section 36.6 in 24-077)

Adds definition for Fetal Viability in Section 36.9(1), "'Fetal Viability,' the point in pregnancy when, in the good faith judgement of a treating health care professional and based on the particular facts of the case, there is a significant likelihood of the .fetus's sustained survival outside the uterus without the application of extraordinary medical measures."

Comments:

The fiscal impact for 24-087 is the same as the fiscal impact for 24-077 and is as follows:

- FY 2024 General Revenue: (\$0 to Unknown)
- FY 2025 General Revenue: (\$0 to Unknown)
- FY 2026 General Revenue: (\$0 to Unknown)

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article I.

Officials from the **Department of Revenue** indicated the initiative petition does not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact.

Officials from the **Governor's office** indicated this proposal relating to reproductive issues does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-087 has no anticipated fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to reproductive issues will not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office is anticipated.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated in reviewing initiative petition 24-087 it has been determined there will be an increased cost to the County of Greene due to loss of tax revenue if voters vote to amend Article I.

The Missouri Department of Health & Senior Services recorded 135 "resident abortions" for Greene County in 2020 and 118 in 2021. The population of Greene County per the 2020 United States census was 298,915. (<https://www.census.gov/quickfacts/fact/table/greenecountymissouri/PST045221>)

In terms of economic impact, Greene County received \$112,673,249 in sales and property taxes for calendar year 2022 (**\$376.94** per capita based on **2020** census data). Accordingly, calculations from these figures indicate an annual loss in population of **135** represents a cost to the County of **\$50,886.90**; an increase in abortion statistics could reasonably be extrapolated to illustrate less tax collections and revenues over the years of potential working lifetimes.

Please see the attached table demonstrating the anticipated yearly on per capita basis and the overall fiscal impact on Greene County tax collections and revenues based on the recorded abortions in 2020 by Missouri Department of Health and Senior Services.

Additional research regarding the broader fiscal impact of lower fertility rates on local and state communities and government budgets may be found here:

- <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/12/the-long-term-decline-in-fertility-and-what-it-means-for-state-budgets>

Greene County Collections in 2022	
2020 Population	298,915
Total Sales Tax Collected	126,986,094.91
Parks I	(8,226,052.01)
Parks II	(8,773,337.47)
Dan Kinney Bond from Parks I	(551,342.50)
LEST	(11,631,863.21)
Strafford TIF	(24,374.44)
Springfield Plaza TIF	(174,240.83)
Sales Tax Subtotal	97,604,884.45
Real Estate Tax	12,222,341.99
Personal Property Tax	2,846,022.58
Property Tax SubTotal	15,068,364.57
Total Taxes	112,673,249.02
Per Capita	376.94
Annual lost population	135
Annual Cost	50,886.90

Officials from **St. Louis County** indicated this has no fiscal impact on their county.

Officials from the **City of Jefferson City** indicated they do not think there would be a direct fiscal impact to the City of Jefferson imposed by Initiative Petition 24-087 proposing to amend Article I. There could be an indirect fiscal impact resulting from increased lawsuits related to violations of the act.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and believe the initiative would have no direct cost or revenue impact.

Susan Klein, Executive Director, Missouri Right to Life provided the following information:



PO Box 651
Jefferson City, MO 65102
573-635-5110
www.missourilife.org

March 15, 2023

Office of the Missouri State Auditor
The Honorable Scott Fitzpatrick
301 West High Street, Room 880
Jefferson City, MO 65102

Dear Auditor Fitzpatrick,

On behalf of the Members, Board and Staff of Missouri Right to Life, I submit to you our comments for consideration and inclusion in the fiscal note you will be preparing regarding the effects to the State of Missouri and its Local Governments of Initiative Petition(s) 2024-077 through 2024-087.

The Petitions Would Create Devastating Impacts for Missouri's Budget:

On March 8, 2023, 11 proposed initiative petitions (2024-077 through 2024-087) were filed with the Missouri Secretary of State's Office by Anna Fitz-James for a campaign committee called "Missourians for Constitutional Freedom." While each initiative petition has some slight variations, they are all identical in their purpose and their fiscal effects to General Revenue, Federal Funds, and Other Funds received by the State of Missouri and the impact to local governments.

The fiscal effects of some of the impacts of the petition(s) follow:

- **Abortion Injuries, Sanctions, Litigation and Loss of Federal Funding:** The petition will allow for abortions to be performed up until the moment of birth and possibly beyond. In addition to the loss of the life of the unborn child and the ending of his or her priceless contributions to our state and society, surgical and chemical abortions have risks and complications to the health of the mother. The cost impacts of surgical and medical abortion physical injuries would result in a devastating impact to Missouri's balanced budget due to an expansion of costs for Missouri's state and Federally-funded healthcare programs. In addition, women endure emotional trauma after an abortion. A massive increase in funding for mental health services would be required. Under current Federal law, states are barred from using Federal funds to pay for abortions except in limited cases (the Hyde Amendment). Federal funding could be in jeopardy and Missouri could be subject to the risk of litigation and sanctions, including the possibility of deferral or disallowance of federal financial participation in Missouri's Medicaid program. In 2019, more than \$7.2 billion in Federal funds were budgeted for Mo HealthNet services (Department of Social Services, Department of Mental Health, and Department of Health and Senior Services). The loss of these funds would be devastating to Missouri.

- **Loss of Licensing Fee Revenues/Penalties:** The petition will allow for anyone to perform an abortion with no penalty, prosecution or adverse action for performing the abortion. An abortion provider would no longer have a reason to maintain his or her license with the State of Missouri (and anyone who chose to perform an abortion would be protected under the Constitution to do so without any regulations or consequences). Missouri laws and regulations would be nullified, and licensing fees normally collected would decline.
- **Rural Hospitals Impacted:** Rural hospitals are already struggling. The petition will allow anyone to perform an abortion with no penalty, prosecution or regulation, and will result in a skyrocketing number of women injured by abortion who will need emergency services, flooding Emergency Rooms and health clinics and limiting or delaying access to emergency healthcare services needed by other individuals. This will result in a fiscal impact to the state. The state will also experience a fiscal impact through staff shortages as abortion-injured state employees seek medical care, surgery and recovery time off work to manage complications of abortion.
- **Missouri Could Face a Budgetary Crisis Due to Loss of Federal Funding from Violating Federal Conscience Laws:** The petition will force Missouri to be out of compliance with Federal conscience laws. This could result in the loss of billions of dollars of Federal funding, litigation and sanctions. If the Federal Government sanctions Missouri due to these violations, this will be devastating and create a budgetary crisis in Missouri. The state will also experience a fiscal impact through staff shortages as state employees flee state jobs where they feel their conscience is violated due to being forced to assist with an abortion.
- **Abortions Funded With Public Tax Dollars:** The petition will allow for the funding of abortions with public tax dollars. The language does not prohibit government funding of abortion procedures or of abortion providers. This would result in a massive fiscal impact to Missouri's balanced budget.
- **Constitutional Protections for Human Traffickers:** The petition will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion. This would result in Constitutional protections for child sex traffickers who impregnate their victims and coerce them into an abortion and would render ineffective Missouri law enforcement, prosecution and justice efforts tasked with upholding our Constitution and laws. The petition could hamper the Federal Government's efforts under The Trafficking Victims Protection Act of 2000 and other Federal laws and could result in sanctions from any Federal funding that Missouri would otherwise be eligible to receive.
- **Sex Changes, et. al, Funded With Public Tax Dollars:** The petition, under the guise of "The Right to Reproductive Freedom," will allow the funding of sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars. This would result in a massive fiscal impact to Missouri's balanced budget.

In summary, any fiscal note of the petition(s) should contain the following language and should also include the estimated fiscal net effects to the State of Missouri and its local government:

This initiative petition (a) will allow for abortions to be performed up until the moment of birth and possibly beyond, which would put Missouri in jeopardy of losing billions of dollars of Federal funding and create an unplanned strain on the state's General Revenue, Other and Local Funds as a result of abortion injuries, sanctions, litigation, loss of licensing fee/penalty revenues, and overloaded emergency rooms and healthcare facilities, (b) will put Missouri in violation of Federal conscience laws, which could result in a loss of billions of dollars of Federal funding and an increase of state and local government employee vacancies and litigation due to exercising their rights of conscience, (c) will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion, thereby creating Constitutional protections for Human Traffickers which could result in a loss of Federal funding, and (d) will allow for the funding of abortions, sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars which would result in a massive fiscal impact to the State of Missouri and its local government budgets.

Sincerely,

A handwritten signature in black ink that reads "Susan Klein". The signature is written in a cursive, flowing style.

Susan Klein
Executive Director
Missouri Right to Life

Samuel H. Lee, Campaign Life Missouri provided the following information:



Samuel Lee
Director

March 16, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

In accordance with the provisions of [section 116.175](#), this is a proposed statement of the fiscal impact of the 11 initiative petitions numbered 24-077 through 24-087, which your office received on March 9, 2023.

To summarize, the proposed ballot measures – all of which would amend the Missouri Constitution – could result in:

- A decrease in federal Medicaid revenues by an unknown amount, up to \$12.5 billion annually.
- Increased costs to taxpayers of unknown amounts, because of medical treatment of, or other services for, children or adults injured by abortions, sex-change operations, genital mutilation or other unspecified “reproductive health care” performed by unlicensed or untrained persons.
- Increased costs of an unknown amount to the Department of Health and Senior Services for the inspection and licensing of thousands of abortion facilities.
- Loss of revenue of unknown amounts to the state and its political subdivisions, because of boycotts of businesses, shopping, tourism or other revenue-generating activities, as a result of Missouri becoming the Midwest’s “abortion destination” state.
- Long-term loss of revenues of unknown amounts to the state and its political subdivisions, because of a decrease in the workforce due to the number of children who are aborted before birth. Also, because of individuals who can no longer work after they become disabled as a result of unsafe abortions, sex-change operations, genital mutilation or other unspecified, unsafe “reproductive health care.” But more important than fiscal costs, the human cost to Missouri’s citizens is unimaginable.

Former-Auditor Galloway made a comparable analysis of the fiscal impacts when she issued her fiscal note and fiscal note summary on [HB 126 \(20-R001 on June 19, 2019\)](#) – the subject of a

referendum that year. Her fiscal note summary became part of the [official ballot title certified by Secretary of State on August 14, 2019](#), for the referendum on HB 126.

Supporting Information on Fiscal Impact of the 11 Initiative Petitions:

- The loss of federal Medicaid matching dollars, which in the proposed fiscal year 2024 budget **would be a loss of nearly \$12.5 billion**.
 - In FY 2023, Missouri lawmakers appropriated about \$16.9 billion for Medicaid (MO HealthNet) across state agencies. [The majority of Medicaid financing in 2023 – \\$10.6 billion – came from federal matching funds](#). The governor’s proposed budget for MO HealthNet for FY 2024 is nearly \$19.3 billion – [almost \\$12.5 billion which would come from federal funds](#).
 - The loss of federal Medicaid matching funds could occur if Missouri is out of compliance with federal Medicaid requirements, for example:
 - If the state cuts off Medicaid reimbursements to Catholic hospitals. This could be a result of the requirement in the initiative petitions that the “Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom.” This might include the state requiring Medicaid providers to sterilize patients, dispense puberty blockers or remove sex organs during sex-change operations.
 - This might also include the state requiring hospitals to participate in the horrendous practice of genital mutilation, currently prohibited by state law under [section 568.065](#), and for which no defense is allowed for “a matter of custom, ritual or standard practice, or [by] consent to the conduct by the child.”
 - But because of the broad-based definition of “reproductive health care” in the 11 initiative petitions (“including but not limited to”), state courts could easily find that genital mutilation is constitutionally protected activity, and strike down existing law.
 - However, for the state government to require Catholic health care providers (or others) to provide these procedures, it would be a violation of their conscience rights – for which the federal government could withhold from the state, Medicaid matching dollars.
 - For example, in California in 2020, [HHS disallowed \\$200 million in federal Medicaid matching funds per quarter due to the state’s unlawful abortion insurance mandate](#), which forced a Catholic order of religious sisters and a non-profit Christian Church to provide abortion health insurance coverage. See also:
 - [“The Fight Over California’s Abortion Coverage Mandate,” Regulatory Review](#), February 3, 2021 (“Can a state require that all health plans offered to its residents cover elective abortions? The federal government thinks not, and the state of California is poised to lose at least \$200 million in Medicaid dollars because it insists that health plans in its state cover abortion services.”)

- [“Federal agency says UVM Med Center forced nurse to assist in abortion,” VT Digger](#), August 28, 2019 (“The U.S. Department of Health and Human Services has accused the University of Vermont Medical Center of forcing a nurse to assist in an abortion procedure despite the nurse’s religious objections. ... The [letter from Roger Severino](#), the director of HHS’ Office for Civil Rights, asks the hospital to adjust its policies or face losing the federal funding it receives from HHS.”)
- There might be additional circumstances where state compliance with at least some of the proposed constitutional amendments would force the state to be out of compliance with federal Medicaid law, such as the state paying for abortions (or other procedures) with federal funds that are not permitted to be reimbursed under federal law. For example, the state might be compelled by the terms of some of the initiative petitions to pay for all abortions for all Medicaid-eligible females, because failing to do so might “discriminate against persons” if the state is paying for the labor and delivery of children for all Medicaid-eligible females. In other words, under the state constitution, Missouri might no longer be [“permitted to enact persuasive measures which favor childbirth over abortion”](#) (*Planned Parenthood v. Casey*, 505 U.S. 833, 886 (1992)). Such non-compliance with federal Medicaid law might also apply to other broad-based, undefined “reproductive health care,” which the state might also be compelled to pay for.
- Under the initiative petitions, the “Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.” “Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, ANY person of ANY age could legally provide, or assist another person in obtaining, an abortion, a sex-change operation, genital mutilation or other unspecified “reproductive health care.” **This could result in numerous, life-altering medical complications to the child or adult who underwent the “reproductive health care.”** Especially with abortion – particularly for abortions performed later in pregnancy – this could result in huge medical costs for her and her child **that are ultimately paid for by taxpayers.**
 - Regarding abortion, in Missouri, the [cost of inpatient medical procedures and emergency department services for treating “issues before childbirth with complications”](#) is a **median charge per person of \$11,977** – with a minimum charges of \$4,140 and a **maximum charge of \$35,345.**
 - And the cost could be even higher for an abortion-related ER visit. [One recent study](#) found that a “[p]atient concealment and/or physician failure to identify a prior abortion during an ER visit is a significant risk factor for a subsequent hospital admission.” In fact, “[c]hemical abortion patients whose abortions are misclassified

- as miscarriages during an ER visit subsequently experience on average 3.2 hospital admissions within 30 days. 86% of the patients ultimately have surgical removal of retained products of conception (RPOC).”
- According to the CDC, in 2020, nearly 10,000 Missouri residents obtained abortions ([9,980 total, but only 167 within the state](#)). Having unlicensed, non-medical personnel permitted to perform or induce abortions within the state on even a fraction of these 10,000 girls or women could result in untold harm to them now – and harm to their future health and fertility.
 - And there might be additional costs to the state or political subdivisions beyond treating the complications to girls or women from being provided abortions by non-physicians or even non-medical personnel. Any low-birthweight infant born alive after a late-term abortion could need long-term NICU care and possibly permanent assistance throughout childhood and during his or her adult life.
 - According to a [2020 New York Times story](#): “The March of Dimes estimates that the average societal cost of each preterm birth, which includes medical care, early intervention services and lost productivity, is \$65,000.”
 - That same story reported on a cost of \$4 million in NICU costs for triplets who were born prematurely.
 - [Preterm birth lifetime costs in the United States](#) (as of 2016) were “estimated to be \$25.2 billion: \$17.1 billion for medical care of persons born preterm, \$2.0 billion for delivery care, \$1.3 billion for early intervention and special education, and \$4.8 billion in lost productivity due to associated disabilities in adults.”
- **Other costs could be the licensing and inspection of multiple locations (potentially thousands of sites) as “abortion facilities,” as required under Missouri law.** This is because [section 197.205](#) requires that no person or governmental unit shall establish, conduct or maintain an abortion facility in the state without a license issued by the Missouri Department of Health and Senior Services (DHSS).
 - [Section 188.015](#) defines an “abortion facility” as “a clinic, physician’s office, or any other place or facility in which abortions are performed or induced other than a hospital”.
 - [Section 197.230](#) states that “[i]n the case of any abortion facility, the department [of health and senior services (DHSS)] shall make or cause to be made an unannounced on-site inspection and investigation at least annually.” Such on-site inspections and investigations must include a variety of areas relating to staffing and equipment to respond to medical emergencies, compliance with Missouri’s abortion laws and the requirement that continuous physician services or registered professional nursing services are to be provided whenever a patient is in the facility.
 - There are [more than 7,000 licensed pharmacists in Missouri](#), and under the proposed constitutional amendment, any pharmacy (or other place) where a pharmacist provides abortion pills, DHSS would be required to inspect and license. **This would**

be an enormous cost to the department and to taxpayers. And any other place where abortion pills would be provided (homes, schools, vending machines, doctor's offices, clinics, etc.) would also have to be inspected at least once a year and licensed.

- **Economic boycotts of Missouri and its businesses could result if the “Show-Me” state becomes the “Abort-Me” state, once it is transformed into the Midwest’s “abortion destination” – a distinct possibility since Missouri is “within a day’s reach of half of U.S. households”.**
 - Just as some pro-abortion advocates in other states are promoting boycotts of states like Missouri that currently protect unborn children from abortion, pro-life advocates in other states might boycott by no longer purchasing from Missouri businesses, or engaging in travel, tourism or shopping in Missouri. How tragic that would be for Missouri, which has been described as one of the top pro-life states in the country.
 - Some “red” states have been prohibiting or attempting to prohibit their governmental entities from doing business with financial firms in other states that take environmental, social and corporate governance (ESG) into consideration, and those same states and additional ones might extend that to any “abortion destination” state – which is what Missouri could become if any one of the 11 initiative petitions is enacted into law.
 - “Missouri tourism provides a \$13.5 billion economic impact that creates more than 257,000 jobs in the state,” according to the Missouri Division of Tourism. It could be a devastating loss to the state and its residents if Missouri became the abortion capital of the Midwest.
- By some estimates, the economic cost to the U.S. of abortion in 2019 – due to the loss of nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of GDP. **Missouri could experience increased economic loss if the number of abortions increases in the state.** And unsafe, legal abortions in the state could result in the disability of countless women who – perhaps permanently – would be unable to enter or remain in the workforce.
 - According to a June 15, 2022 report of the Joint Economic Committee – Congressional Republicans *The Economic Cost of Abortion* – the economic cost of an abortion due to the loss of unborn lives is 425 times larger than the earnings loss mothers could be expected to incur when having a child.”
 - According to a key finding in the report: “In the long run, abortion shrinks the labor force, stunts innovation, and limits economic growth. It also weakens the solvency of social insurance programs like Social Security and Medicare that rely on workers to support a growing elderly population.”
 - And as the International Planned Parenthood Federation has noted: “**Unsafe abortions** are performed by un- or under-trained providers ... It is possible to have an unsafe, legal abortion.” (underlining added)

- Under the initiative petitions, “any person assisting a person in exercising their right to reproductive freedom” shall not “be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, unlicensed, untrained persons of ANY age could perform unsafe, legal abortions or other “reproductive health care,” and the “Government shall not discriminate against persons ... in doing so.” While the economic cost of this policy is incalculable, more important and horrifying, the human cost to Missouri’s citizens is unimaginable.

Auditor Fitzpatrick, if we can be of further assistance, please do not hesitate to contact us.

Sam

Samuel H. Lee
Campaign Life Missouri
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David C. Drury, Attorney at Law provided the following information:

Dear Auditor Fitzpatrick:

I am a licensed attorney in the St. Louis Metropolitan area who has practiced law here for the last fifty years.

Eleven similar proposals to destroy major Missouri laws which have existed for decades are being suggested by petition numbers 2024-077 to 2024-087.

As you are aware, section 116.175 et al requires that a fiscal note and fiscal note summary state a measure's estimated cost or savings to any state or local governmental entity. In general, a strong fiscal outlook is an essential foundation for a growing, thriving economy. The gap between income and spending is subsequently closed by government borrowing, something to ideally be avoided. Moreover, voters, especially in this conservative state, should be informed and educated of the costs of measures so radical they reverse and erase in one fell swoop the studied product of elected representatives. Indeed, the cost of a proposal may be the reason a voter decides against it.

As commented, the above proposals, although different in some respects, all contain much identical language. For example, the Preamble and first three numbered paragraphs (except 077 uses the word "entails" in line 2 or paragraph 2) are the same. All contain a "discrimination" paragraph, a "severability clause, and the definitions of "Government" are copied throughout. Other deletions or additions to the submissions do not detract from the fact that multiple unfavorable fiscal consequences will result if passage of any happens. So, I feel it is fair to say that these comments relate to each and every variation, rather than to repeat the same points one by one, over and over.

Another observation about which no one can reasonably disagree is that these are extremely broad, and being so broad are vague and ambiguous. Applications can be to an expansive variety of situations, all at costs to the state and local governmental agencies. This is especially the case in light of the present political structure of the federal government, and of course many federal monies flow to the State of Missouri. Another way of saying this, although a somewhat different point, is the potential, actually a likelihood, that direction of funding can be "weaponized", so state laws conform to federal ones. Thus, the state of Missouri is "fiscally" affected. The federal government and the states do not exist as if there is a wall in between. Money flows back and forth, and thus a state can easily be targeted and penalized by federal legislative and executive actions.

Most recently as this week President Biden proclaimed that it was "cruel" and "close to sinful" for Florida to ban subjecting children to sex-change procedures. (Not to subject the children, but to ban subjecting the children)! The aforesaid ballot proposals insist that the "right to reproductive freedom" shall not be denied, interfered with, delayed, or otherwise restricted, and governmental action should be deemed invalid. The ballot also uses language in paragraph 2 of all versions the clause "not limited to". It would thus appear that the subject of sex-change procedures, is included. Similarly, some of the

suggested versions require no parental or guardian consent whatsoever, and others only superficially address the subject with a sure-fire exception that a health care professional (not even a treating physician) can approve an abortion without consent if he/she thinks that getting consent may lead to emotional harm to the minor. All of the proposals do not even require that a physician is necessary to provide medical care. In fact you don't even need any license. Medical malpractice will automatically result. The harm to patients for this poor care, and the cost to the State for care of these patients will be an adverse fiscal result.

All of the above circumstances, would lead responsible hospitals and medical care providers to practice their profession with higher and different standards. And so they would refuse to abide by the above random, and harmful, provisions. Next, we come to the subject of "who is going to pay the bill"? Medicaid, as we know, pays an enormous amount of medical charges. Hospitals and doctors get reimbursed by the State, but the State must comply with federal law. If a State fails to follow the law, for the federal portion, which is over half, it may not get reimbursed. The State suffers fiscally. My numbers are that the State of Missouri receives 12.5 billion in federal Medicaid money.

What if, for example, Cardinal Glennon Hospital in St. Louis refused to perform sex change surgery on a minor, with or without parental consent, in its hospital? It is against its religious beliefs, among many other reasons. Can the hospital be denied Medicaid funds? The text of the proposals require such. The President has just declared that refusing to perform this is "cruel". If the State foots the bill and does not get reimbursed from the federal government, this is a fiscal loss.

Is medical insurance required to pay for "reproductive health care"? If so, these are expensive fiscal consequences of the proposals.

The proposals also yield enormous costs to the State in situations where persons or institutions refuse care against their medical "standard of care" but do not even require a license (creating a breeding ground for malpractice, and all of the expenses that come with it). With Medicaid, the state pays part of the bill, but may not get reimbursed the rest if the proposed bill is not followed. What about the "religious beliefs" of medical care providers. If, for example, Catholic hospitals are penalized, the State of Missouri could also be "fiscally" penalized.

What about the issue of prescribing pills to induce abortion---chemical abortion? Do these proposals mean that all care providers must not deny, restrict, or delay this form of abortion? Is the "government" discriminating against patients by not requiring care providers including pharmacists to dispense the pills? Can they be penalized by withholding of Medicaid payments?

The issue of federal Medicaid funds being disallowed has come up before. In December 2020 HHS and OCR announced that \$200 million in federal Medicaid funds going to California in the upcoming quarter were being denied. This was due to the state illegally mandating that all health care plans subject to regulation by the California Department

of Managed Health Care cover abortion without exclusion or limitation. Furthermore, if California did not come into compliance, additional disallowances would be imposed at a rate of \$200 million per quarter. In a Vermont case, receipt of federal funds because of discrimination against an employee who refused to participate in abortions was threatened. I mention this because of the potential fiscal effect on the State of Missouri if one of these proposals was passed.

So as not to overlook the obvious, the proposals if passed would surely make abortions easier in this state, depriving the state of countless future taxpaying citizens. These persons, if allowed to live, would work, create and staff businesses, produce products, and in general contribute to the economy. A growing population encourages others to move here which in turn results in additional fiscal activity. And, although much of the above addresses Medicaid costs, since fewer workers will be around to contribute to the Medicare system, this system will be under fiscal stress also.

These are only some of the immediate, short-term, and permanent unfortunate fiscal consequences to State and local government if any of the proposals pass.

Thank you for considering this information.

David C. Drury

Attorney at Law

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St. Louis, Missouri 63137

314-868-7460

314-868-3122(fax)

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**Rachel U. Greszler, Senior Research Fellow in Economics, Budgets, and Entitlements,
The Heritage Foundation** provided the following information:

Date: March 17, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

Per Missouri's [fiscal impact](#) provisions, I have prepared the below fiscal note comments on the proposed ballot initiative "A Constitutional Amendment Concerning the Regulation of Abortion" as submitted to your office on March 9, 2023 as initiative petitions 24-077 through 24-087. My comments are my own and should not be construed as representing any official position of the Heritage Foundation.

Missouri is considering laws that would make abortion legal and easily accessible. The State should not take that step, simply because it would result in the death of thousands of innocent human beings. I offer this fiscal note to provide additional reasons that might persuade those who wrongly doubt that unborn human babies are persons.

By significantly reducing the number of births in the state, these laws would reduce the state's population growth and generate short- and long-term impacts on the state's output and its government finances. Abortion laws could also impact individuals' and families' personal finances, health, and wellbeing in ways that affect states revenues and expenses.

Population growth and economic growth go hand in hand so long as the necessary resources and infrastructure are in place to support that growth. Those resources and infrastructure are in place and the U.S. faces an unprecedented labor shortage. Recent declines in fertility rates threaten to reduce population growth and current and future economic growth. Moreover, government debt has created a situation in which the future wellbeing of current residents is dependent upon a growing population and workforce to pay for current debts and for unfunded obligations promised to retirees.

Since 2007, the [total fertility rate](#) in the U.S. declined from 2.11 births per woman (right at replacement rate) to just 1.66 births per woman in 2021. Missouri's total fertility rate declined from 2.08 in 2007 to 1.60 in 2021.

Compared to current law (in which abortion is illegal in Missouri except in instances in which the woman's life is in danger or her health is severely compromised), the proposed laws could

lead to an additional [2,000 to 9,000 abortions per year](#) in Missouri, depending on how expansive abortion access would become.¹ Based on population projections from the Census Bureau, and assuming a one-for-one correlation between increased abortions and reduced population, the proposed abortion laws could reduce Missouri's projected population by 0.3 percent to 1.4 percent over the next 10 years and by 0.6 percent to 2.7 percent over the next 20 years.

The state needs to consider the following potential effects of abortion-induced population decline in its impact analysis:

A reduced labor force. Fewer births and a smaller population means a smaller future labor force. While proponents of abortion make the economic case that abortion enables women to work and earn more, the additional measurable work and earnings of women as a result of having an abortion is miniscule compared to the potential lifetime work and earnings of another human being. Moreover, while having a child can reduce mothers' work and earnings, it tends to increase fathers' work and earnings—a factor that is ignored in abortion advocates economic claims.

Healthcare strain. Already, the U.S. faces [serious shortages](#) of healthcare workers and the population is continuing to age. Young people (those who would be aborted over the coming decades as a result of the proposed laws) consume very little healthcare, and as they reach working age, they are net providers of healthcare. This means the proposed laws could exacerbate healthcare worker shortages, limit Missourians' [access to healthcare](#), and potentially drive up the state's [healthcare costs](#) as shortages lead to higher prices. With Medicaid being Missouri's largest budgetary item (in FY 2022, Missouri's Medicaid spending was 74 percent greater than its K-12 education spending), and the state being limited by the federal government in its ability to reduce Medicaid spending, higher healthcare costs could impose significant budget constraints.

Reduced tax revenues. In the immediate future, fewer children born in Missouri could reduce sales and real estate tax revenues because households with children spend more and tend to live in higher-value housing. While the income tax revenues of women who have children could be lower if they work less after having children, the work and [earnings of men](#) tend to rise after they have children. In the decades following increased abortions, the absence of potentially tens of thousands of workers would lead to reduced income tax revenues. Although some state expenses are proportional to the number of residents and would decline over time, many expenses are not, and declining revenues would necessitate higher taxes or spending cuts.

Exacerbated unfunded pensions and other post-employment benefits. Depending on different assumptions and risk levels, Missouri has between [\\$36 billion](#) and [\\$171 billion](#) in unfunded pension and [other post-employment benefits](#). That is money that has already been promised to public sector workers and retirees, but which has not been set aside to provide those benefits. The American Legislative Exchange Council estimates that Missouri's unfunded pension liabilities alone amount to [\\$26,965 per capita](#) in 2021, and these unfunded liabilities are

¹ Estimated increase based on the number of abortions in Missouri, as reported by the [Missouri Department of Health and Senior Services](#) and the [Guttmacher Institute](#), reporting roughly 9,000 abortions around 2000-2001 and about 2,000 abortions around 2020-2021.

continuing to grow. The fewer people Missouri has, the larger the per-capita liabilities become, and the harder it will be to raise taxes on workers and employers without them moving to other states. Among many consequences, [economic analysis](#) shows that unfunded pension obligations lead to lower real estate values, which would reduce property tax revenues.

Conclusion

It is an unquestionable fact that the U.S. Constitution requires all state and local governments to uphold Americans' most fundamental natural rights, including that of the right to life. Not counting unborn humans as living beings and treating abortion as an exercise in economic eugenics is an assault on these rights and values.

Even then, the fiscal and economic perspectives of abortion advocates are lacking sufficient economic rigor. I offer this fiscal analysis that provides good reasons to reject the proposed amendments on premises that abortion advocates may be able to accept.

The proposed laws to legalize and expand abortion access in Missouri warrant a properly conducted fiscal analysis. As a part of the debate, policymakers must consider how increased abortions will affect Missouri's population, workforce, fundamental services such as healthcare, the states tax revenues and expenditures, and Missouri's ability to make good on its unfunded pension and other post-employment benefit obligations.

Respectfully,

Rachel U. Greszler
Senior Research Fellow in Economics, Budgets, and Entitlements
The Heritage Foundation
214 Massachusetts Ave, NE
Washington, DC 20002
Email: rachel.greszler@heritage.org

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The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.**

Fiscal Note Summary

State governmental entities estimate no costs or savings, but unknown impact. Local governmental entities estimate costs of at least \$51,000 annually in reduced tax revenues. Opponents estimate a potentially significant loss to state revenue.



JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

MAR 09 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Anna Fitz-James regarding a proposed constitutional amendment to Article I, version 10 (2024-086)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Anna Fitz-James on March 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____, I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

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2023 MAR -8 PM 3:26
[Signature]

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

My Commission Expires:_____
(Seal)

NOTICE: The proposed amendment revises Article I of the Constitution by adopting one new Section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article I of the Constitution is revised by adopting one new Section to be known as Article I, Section 36 to read as follows:

Section 36. 1. This Section shall be known as “The Right to Reproductive Freedom Initiative.”

2. The Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom, which is the right to make and carry out decisions about all matters relating to reproductive health care, including but not limited to prenatal care, childbirth, postpartum care, birth control, abortion care, miscarriage care, and respectful birthing conditions.

3. The right to reproductive freedom shall not be denied, interfered with, delayed, or otherwise restricted unless the Government demonstrates that such action is justified by a compelling governmental interest achieved by the least restrictive means. Any denial, interference, delay, or restriction of the right to reproductive freedom shall be presumed invalid. For purposes of this Section, a governmental interest is compelling only if it is for the limited purpose and has the limited effect of improving or maintaining the health of a person seeking care, is consistent with widely accepted clinical standards of practice and evidence-based medicine, and does not infringe on that person’s autonomous decision-making.

4. Notwithstanding subsection 3 of this Section, the general assembly may enact laws that regulate the provision of abortion after Fetal Viability provided that under no circumstance shall the Government deny, interfere with, delay, or otherwise restrict an abortion that in the good faith judgment of a treating health care professional is needed to protect the life or physical or mental health of the pregnant person.

5. No person shall be penalized, prosecuted, or otherwise subjected to adverse action based on their actual, potential, perceived, or alleged pregnancy outcomes, including but not limited to miscarriage, stillbirth, or abortion. Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.

6. The Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.

7. If any provision of this Section or the application thereof to anyone or to any circumstance is held invalid, the remainder of those provisions and the application of such provisions to others or other circumstances shall not be affected thereby.

8. For purposes of this Section, the following terms mean:

(1) “Fetal Viability”, the point in pregnancy when, in the good faith judgment of a treating health care professional and based on the particular facts of the case, there is a significant likelihood of the fetus’s sustained survival outside the uterus without the application of extraordinary medical measures.

(2) “Government”,

a. the state of Missouri; or

b. any municipality, city, town, village, township, district, authority, public subdivision or public corporation having the power to tax or regulate, or any portion of two or more such entities within the state of Missouri.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-086)**

Subject

Initiative petition from Anna Fitz-James regarding a proposed constitutional amendment to Article I. (Received March 9, 2023)

Date

March 29, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Susan Klein, Executive Director, Missouri Right to Life provided information to the State Auditor's office.

Samuel H. Lee, Campaign Life Missouri provided information to the State Auditor's office.

David C. Drury, Attorney at Law provided information to the State Auditor's office.

Rachel U. Greszler, Senior Research Fellow in Economics, Budgets and Entitlements, The Heritage Foundation provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-086 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated changes to the bill are as follows:

Initiative petition 24-086 is identical to 24-077 with the following exceptions:

Adds new Section 36.4, which states "Notwithstanding subsection 3 of this Section, the general assembly may enact laws that regulate the provision of abortion after Fetal Viability provided that under no circumstance shall the Government deny, burden, or otherwise restrict an abortion that in the good faith judgement of a treating health care professional is needed to protect the life or physical or mental health of the pregnant person."

Removes Section 36.6 "Nothing in this Section requires government funding of abortion other than as required by federal law"

Adds definition for Fetal Viability in Section 36.8(1), "'Fetal Viability,' the point in pregnancy when, in the good faith judgement of a treating health care professional and based on the particular facts of the case, there is a significant likelihood of the fetus's sustained survival outside the uterus without the application of extraordinary medical measures."

Comments:

The fiscal impact for 24-086 is the same as the fiscal impact for 24-077 and is as follows:

- FY 2024 General Revenue: (\$0 to Unknown)
- FY 2025 General Revenue: (\$0 to Unknown)
- FY 2026 General Revenue: (\$0 to Unknown)

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article I.

Officials from the **Department of Revenue** indicated the initiative petition does not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to reproductive issues does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-086 has no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to reproductive issues does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office is anticipated.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated in reviewing initiative petition 24-086 it has been determined there will be an increased cost to the County of Greene due to loss of tax revenue if voters vote to amend Article I.

The Missouri Department of Health & Senior Services recorded 135 "resident abortions" for Greene County in 2020 and 118 in 2021. The population of Greene County per the 2020 United States census was 298,915. (<https://www.census.gov/quickfacts/fact/table/greene-county-missouri/PST045221>)

In terms of economic impact, Greene County received \$112,673,249 in sales and property taxes for calendar year 2022 (**\$376.94** per capita based on **2020** census data). Accordingly, calculations from these figures indicate an annual loss in population of **135** represents a cost to the County of **\$50,886.90**; an increase in abortion statistics could reasonably be extrapolated to illustrate less tax collections and revenues over the years of potential working lifetimes.

Please see the attached table demonstrating the anticipated yearly on per capita basis and the overall fiscal impact on Greene County tax collections and revenues based on the recorded abortions in 2020 by Missouri Department of Health and Senior Services.

Additional research regarding the broader fiscal impact of lower fertility rates on local and state communities and government budgets may be found here:

- <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/12/the-long-term-decline-in-fertility-and-what-it-means-for-state-budgets>

Greene County Collections in 2022	
2020 Population	298,915
Total Sales Tax Collected	126,986,094.91
Parks I	(8,226,052.01)
Parks II	(8,773,337.47)
Dan Kinney Bond from Parks I	(551,342.50)
LEST	(11,631,863.21)
Strafford TIF	(24,374.44)
Springfield Plaza TIF	(174,240.83)
Sales Tax Subtotal	97,604,884.45
Real Estate Tax	12,222,341.99
Personal Property Tax	2,846,022.58
Property Tax SubTotal	15,068,364.57
Total Taxes	112,673,249.02
Per Capita	376.94
Annual lost population	135
Annual Cost	50,886.90

Officials from **St. Louis County** indicated this has no fiscal impact on their county.

Officials from the **City of Jefferson City** indicated they do not think there would be a direct fiscal impact to the City of Jefferson imposed by Initiative Petition 24-086 proposing to amend Article I. There could be an indirect fiscal impact resulting from increased lawsuits related to violations of the act.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative ballot and believe the initiative would have no direct cost or revenue impact.

Susan Klein, Executive Director, Missouri Right to Life provided the following information:



PO Box 651
Jefferson City, MO 65102
573-635-5110
www.missourilife.org

March 15, 2023

Office of the Missouri State Auditor
The Honorable Scott Fitzpatrick
301 West High Street, Room 880
Jefferson City, MO 65102

Dear Auditor Fitzpatrick,

On behalf of the Members, Board and Staff of Missouri Right to Life, I submit to you our comments for consideration and inclusion in the fiscal note you will be preparing regarding the effects to the State of Missouri and its Local Governments of Initiative Petition(s) 2024-077 through 2024-087.

The Petitions Would Create Devastating Impacts for Missouri's Budget:

On March 8, 2023, 11 proposed initiative petitions (2024-077 through 2024-087) were filed with the Missouri Secretary of State's Office by Anna Fitz-James for a campaign committee called "Missourians for Constitutional Freedom." While each initiative petition has some slight variations, they are all identical in their purpose and their fiscal effects to General Revenue, Federal Funds, and Other Funds received by the State of Missouri and the impact to local governments.

The fiscal effects of some of the impacts of the petition(s) follow:

- **Abortion Injuries, Sanctions, Litigation and Loss of Federal Funding:** The petition will allow for abortions to be performed up until the moment of birth and possibly beyond. In addition to the loss of the life of the unborn child and the ending of his or her priceless contributions to our state and society, surgical and chemical abortions have risks and complications to the health of the mother. The cost impacts of surgical and medical abortion physical injuries would result in a devastating impact to Missouri's balanced budget due to an expansion of costs for Missouri's state and Federally-funded healthcare programs. In addition, women endure emotional trauma after an abortion. A massive increase in funding for mental health services would be required. Under current Federal law, states are barred from using Federal funds to pay for abortions except in limited cases (the Hyde Amendment). Federal funding could be in jeopardy and Missouri could be subject to the risk of litigation and sanctions, including the possibility of deferral or disallowance of federal financial participation in Missouri's Medicaid program. In 2019, more than \$7.2 billion in Federal funds were budgeted for Mo HealthNet services (Department of Social Services, Department of Mental Health, and Department of Health and Senior Services). The loss of these funds would be devastating to Missouri.

- **Loss of Licensing Fee Revenues/Penalties:** The petition will allow for anyone to perform an abortion with no penalty, prosecution or adverse action for performing the abortion. An abortion provider would no longer have a reason to maintain his or her license with the State of Missouri (and anyone who chose to perform an abortion would be protected under the Constitution to do so without any regulations or consequences). Missouri laws and regulations would be nullified, and licensing fees normally collected would decline.
- **Rural Hospitals Impacted:** Rural hospitals are already struggling. The petition will allow anyone to perform an abortion with no penalty, prosecution or regulation, and will result in a skyrocketing number of women injured by abortion who will need emergency services, flooding Emergency Rooms and health clinics and limiting or delaying access to emergency healthcare services needed by other individuals. This will result in a fiscal impact to the state. The state will also experience a fiscal impact through staff shortages as abortion-injured state employees seek medical care, surgery and recovery time off work to manage complications of abortion.
- **Missouri Could Face a Budgetary Crisis Due to Loss of Federal Funding from Violating Federal Conscience Laws:** The petition will force Missouri to be out of compliance with Federal conscience laws. This could result in the loss of billions of dollars of Federal funding, litigation and sanctions. If the Federal Government sanctions Missouri due to these violations, this will be devastating and create a budgetary crisis in Missouri. The state will also experience a fiscal impact through staff shortages as state employees flee state jobs where they feel their conscience is violated due to being forced to assist with an abortion.
- **Abortions Funded With Public Tax Dollars:** The petition will allow for the funding of abortions with public tax dollars. The language does not prohibit government funding of abortion procedures or of abortion providers. This would result in a massive fiscal impact to Missouri's balanced budget.
- **Constitutional Protections for Human Traffickers:** The petition will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion. This would result in Constitutional protections for child sex traffickers who impregnate their victims and coerce them into an abortion and would render ineffective Missouri law enforcement, prosecution and justice efforts tasked with upholding our Constitution and laws. The petition could hamper the Federal Government's efforts under The Trafficking Victims Protection Act of 2000 and other Federal laws and could result in sanctions from any Federal funding that Missouri would otherwise be eligible to receive.
- **Sex Changes, et. al, Funded With Public Tax Dollars:** The petition, under the guise of "The Right to Reproductive Freedom," will allow the funding of sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars. This would result in a massive fiscal impact to Missouri's balanced budget.

In summary, any fiscal note of the petition(s) should contain the following language and should also include the estimated fiscal net effects to the State of Missouri and its local government:

This initiative petition (a) will allow for abortions to be performed up until the moment of birth and possibly beyond, which would put Missouri in jeopardy of losing billions of dollars of Federal funding and create an unplanned strain on the state's General Revenue, Other and Local Funds as a result of abortion injuries, sanctions, litigation, loss of licensing fee/penalty revenues, and overloaded emergency rooms and healthcare facilities, (b) will put Missouri in violation of Federal conscience laws, which could result in a loss of billions of dollars of Federal funding and an increase of state and local government employee vacancies and litigation due to exercising their rights of conscience, (c) will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion, thereby creating Constitutional protections for Human Traffickers which could result in a loss of Federal funding, and (d) will allow for the funding of abortions, sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars which would result in a massive fiscal impact to the State of Missouri and its local government budgets.

Sincerely,

A handwritten signature in cursive script that reads "Susan Klein". The signature is written in dark ink and is positioned above the printed name and title.

Susan Klein
Executive Director
Missouri Right to Life

Samuel H. Lee, Campaign Life Missouri provided the following information:



Samuel Lee
Director

March 16, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

In accordance with the provisions of [section 116.175](#), this is a proposed statement of the fiscal impact of the 11 initiative petitions numbered 24-077 through 24-087, which your office received on March 9, 2023.

To summarize, the proposed ballot measures – all of which would amend the Missouri Constitution – could result in:

- A decrease in federal Medicaid revenues by an unknown amount, up to \$12.5 billion annually.
- Increased costs to taxpayers of unknown amounts, because of medical treatment of, or other services for, children or adults injured by abortions, sex-change operations, genital mutilation or other unspecified “reproductive health care” performed by unlicensed or untrained persons.
- Increased costs of an unknown amount to the Department of Health and Senior Services for the inspection and licensing of thousands of abortion facilities.
- Loss of revenue of unknown amounts to the state and its political subdivisions, because of boycotts of businesses, shopping, tourism or other revenue-generating activities, as a result of Missouri becoming the Midwest’s “abortion destination” state.
- Long-term loss of revenues of unknown amounts to the state and its political subdivisions, because of a decrease in the workforce due to the number of children who are aborted before birth. Also, because of individuals who can no longer work after they become disabled as a result of unsafe abortions, sex-change operations, genital mutilation or other unspecified, unsafe “reproductive health care.” But more important than fiscal costs, the human cost to Missouri’s citizens is unimaginable.

Former-Auditor Galloway made a comparable analysis of the fiscal impacts when she issued her fiscal note and fiscal note summary on [HB 126 \(20-R001 on June 19, 2019\)](#) – the subject of a

referendum that year. Her fiscal note summary became part of the [official ballot title certified by Secretary of State on August 14, 2019](#), for the referendum on HB 126.

Supporting Information on Fiscal Impact of the 11 Initiative Petitions:

- The loss of federal Medicaid matching dollars, which in the proposed fiscal year 2024 budget **would be a loss of nearly \$12.5 billion**.
 - In FY 2023, Missouri lawmakers appropriated about \$16.9 billion for Medicaid (MO HealthNet) across state agencies. [The majority of Medicaid financing in 2023 – \\$10.6 billion – came from federal matching funds](#). The governor’s proposed budget for MO HealthNet for FY 2024 is nearly \$19.3 billion – [almost \\$12.5 billion which would come from federal funds](#).
 - The loss of federal Medicaid matching funds could occur if Missouri is out of compliance with federal Medicaid requirements, for example:
 - If the state cuts off Medicaid reimbursements to Catholic hospitals. This could be a result of the requirement in the initiative petitions that the “Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom.” This might include the state requiring Medicaid providers to sterilize patients, dispense puberty blockers or remove sex organs during sex-change operations.
 - This might also include the state requiring hospitals to participate in the horrendous practice of genital mutilation, currently prohibited by state law under [section 568.065](#), and for which no defense is allowed for “a matter of custom, ritual or standard practice, or [by] consent to the conduct by the child.”
 - But because of the broad-based definition of “reproductive health care” in the 11 initiative petitions (“including but not limited to”), state courts could easily find that genital mutilation is constitutionally protected activity, and strike down existing law.
 - However, for the state government to require Catholic health care providers (or others) to provide these procedures, it would be a violation of their conscience rights – for which the federal government could withhold from the state, Medicaid matching dollars.
 - For example, in California in 2020, [HHS disallowed \\$200 million in federal Medicaid matching funds per quarter due to the state’s unlawful abortion insurance mandate](#), which forced a Catholic order of religious sisters and a non-profit Christian Church to provide abortion health insurance coverage. See also:
 - [“The Fight Over California’s Abortion Coverage Mandate,” Regulatory Review](#), February 3, 2021 (“Can a state require that all health plans offered to its residents cover elective abortions? The federal government thinks not, and the state of California is poised to lose at least \$200 million in Medicaid dollars because it insists that health plans in its state cover abortion services.”)

- [“Federal agency says UVM Med Center forced nurse to assist in abortion,” VT Digger](#), August 28, 2019 (“The U.S. Department of Health and Human Services has accused the University of Vermont Medical Center of forcing a nurse to assist in an abortion procedure despite the nurse’s religious objections. ... The [letter from Roger Severino](#), the director of HHS’ Office for Civil Rights, asks the hospital to adjust its policies or face losing the federal funding it receives from HHS.”)
- There might be additional circumstances where state compliance with at least some of the proposed constitutional amendments would force the state to be out of compliance with federal Medicaid law, such as the state paying for abortions (or other procedures) with federal funds that are not permitted to be reimbursed under federal law. For example, the state might be compelled by the terms of some of the initiative petitions to pay for all abortions for all Medicaid-eligible females, because failing to do so might “discriminate against persons” if the state is paying for the labor and delivery of children for all Medicaid-eligible females. In other words, under the state constitution, Missouri might no longer be [“permitted to enact persuasive measures which favor childbirth over abortion”](#) (*Planned Parenthood v. Casey*, 505 U.S. 833, 886 (1992)). Such non-compliance with federal Medicaid law might also apply to other broad-based, undefined “reproductive health care,” which the state might also be compelled to pay for.
- Under the initiative petitions, the “Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.” “Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, ANY person of ANY age could legally provide, or assist another person in obtaining, an abortion, a sex-change operation, genital mutilation or other unspecified “reproductive health care.” **This could result in numerous, life-altering medical complications to the child or adult who underwent the “reproductive health care.”** Especially with abortion – particularly for abortions performed later in pregnancy – this could result in huge medical costs for her and her child **that are ultimately paid for by taxpayers.**
 - Regarding abortion, in Missouri, the [cost of inpatient medical procedures and emergency department services for treating “issues before childbirth with complications”](#) is a **median charge per person of \$11,977** – with a minimum charges of \$4,140 and a **maximum charge of \$35,345.**
 - And the cost could be even higher for an abortion-related ER visit. [One recent study](#) found that a “[p]atient concealment and/or physician failure to identify a prior abortion during an ER visit is a significant risk factor for a subsequent hospital admission.” In fact, “[c]hemical abortion patients whose abortions are misclassified

- as miscarriages during an ER visit subsequently experience on average 3.2 hospital admissions within 30 days. 86% of the patients ultimately have surgical removal of retained products of conception (RPOC).”
- According to the CDC, in 2020, nearly 10,000 Missouri residents obtained abortions ([9,980 total, but only 167 within the state](#)). Having unlicensed, non-medical personnel permitted to perform or induce abortions within the state on even a fraction of these 10,000 girls or women could result in untold harm to them now – and harm to their future health and fertility.
 - And there might be additional costs to the state or political subdivisions beyond treating the complications to girls or women from being provided abortions by non-physicians or even non-medical personnel. Any low-birthweight infant born alive after a late-term abortion could need long-term NICU care and possibly permanent assistance throughout childhood and during his or her adult life.
 - According to a [2020 New York Times story](#): “The March of Dimes estimates that the average societal cost of each preterm birth, which includes medical care, early intervention services and lost productivity, is \$65,000.”
 - That same story reported on a cost of \$4 million in NICU costs for triplets who were born prematurely.
 - [Preterm birth lifetime costs in the United States](#) (as of 2016) were “estimated to be \$25.2 billion: \$17.1 billion for medical care of persons born preterm, \$2.0 billion for delivery care, \$1.3 billion for early intervention and special education, and \$4.8 billion in lost productivity due to associated disabilities in adults.”
- **Other costs could be the licensing and inspection of multiple locations (potentially thousands of sites) as “abortion facilities,” as required under Missouri law.** This is because [section 197.205](#) requires that no person or governmental unit shall establish, conduct or maintain an abortion facility in the state without a license issued by the Missouri Department of Health and Senior Services (DHSS).
 - [Section 188.015](#) defines an “abortion facility” as “a clinic, physician’s office, or any other place or facility in which abortions are performed or induced other than a hospital”.
 - [Section 197.230](#) states that “[i]n the case of any abortion facility, the department [of health and senior services (DHSS)] shall make or cause to be made an unannounced on-site inspection and investigation at least annually.” Such on-site inspections and investigations must include a variety of areas relating to staffing and equipment to respond to medical emergencies, compliance with Missouri’s abortion laws and the requirement that continuous physician services or registered professional nursing services are to be provided whenever a patient is in the facility.
 - There are [more than 7,000 licensed pharmacists in Missouri](#), and under the proposed constitutional amendment, any pharmacy (or other place) where a pharmacist provides abortion pills, DHSS would be required to inspect and license. **This would**

be an enormous cost to the department and to taxpayers. And any other place where abortion pills would be provided (homes, schools, vending machines, doctor's offices, clinics, etc.) would also have to be inspected at least once a year and licensed.

- **Economic boycotts of Missouri and its businesses could result if the “Show-Me” state becomes the “Abort-Me” state, once it is transformed into the Midwest’s “abortion destination” – a distinct possibility since Missouri is “within a day’s reach of half of U.S. households”.**
 - Just as some pro-abortion advocates in other states are promoting boycotts of states like Missouri that currently protect unborn children from abortion, pro-life advocates in other states might boycott by no longer purchasing from Missouri businesses, or engaging in travel, tourism or shopping in Missouri. How tragic that would be for Missouri, which has been described as one of the top pro-life states in the country.
 - Some “red” states have been prohibiting or attempting to prohibit their governmental entities from doing business with financial firms in other states that take environmental, social and corporate governance (ESG) into consideration, and those same states and additional ones might extend that to any “abortion destination” state – which is what Missouri could become if any one of the 11 initiative petitions is enacted into law.
 - “Missouri tourism provides a \$13.5 billion economic impact that creates more than 257,000 jobs in the state,” according to the Missouri Division of Tourism. It could be a devastating loss to the state and its residents if Missouri became the abortion capital of the Midwest.
- By some estimates, the economic cost to the U.S. of abortion in 2019 – due to the loss of nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of GDP. **Missouri could experience increased economic loss if the number of abortions increases in the state.** And unsafe, legal abortions in the state could result in the disability of countless women who – perhaps permanently – would be unable to enter or remain in the workforce.
 - According to a June 15, 2022 report of the Joint Economic Committee – Congressional Republicans’ The Economic Cost of Abortion – the economic cost of an abortion due to the loss of unborn lives is 425 times larger than the earnings loss mothers could be expected to incur when having a child.”
 - According to a key finding in the report: “In the long run, abortion shrinks the labor force, stunts innovation, and limits economic growth. It also weakens the solvency of social insurance programs like Social Security and Medicare that rely on workers to support a growing elderly population.”
 - And as the International Planned Parenthood Federation has noted: “**Unsafe abortions** are performed by un- or under-trained providers ... It is possible to have an unsafe, legal abortion.” (underlining added)

- Under the initiative petitions, “any person assisting a person in exercising their right to reproductive freedom” shall not “be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, unlicensed, untrained persons of ANY age could perform unsafe, legal abortions or other “reproductive health care,” and the “Government shall not discriminate against persons ... in doing so.” While the economic cost of this policy is incalculable, more important and horrifying, the human cost to Missouri’s citizens is unimaginable.

Auditor Fitzpatrick, if we can be of further assistance, please do not hesitate to contact us.

Sam

Samuel H. Lee
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David C. Drury, Attorney at Law provided the following information:

Dear Auditor Fitzpatrick:

I am a licensed attorney in the St. Louis Metropolitan area who has practiced law here for the last fifty years.

Eleven similar proposals to destroy major Missouri laws which have existed for decades are being suggested by petition numbers 2024-077 to 2024-087.

As you are aware, section 116.175 et al requires that a fiscal note and fiscal note summary state a measure's estimated cost or savings to any state or local governmental entity. In general, a strong fiscal outlook is an essential foundation for a growing, thriving economy. The gap between income and spending is subsequently closed by government borrowing, something to ideally be avoided. Moreover, voters, especially in this conservative state, should be informed and educated of the costs of measures so radical they reverse and erase in one fell swoop the studied product of elected representatives. Indeed, the cost of a proposal may be the reason a voter decides against it.

As commented, the above proposals, although different in some respects, all contain much identical language. For example, the Preamble and first three numbered paragraphs (except 077 uses the word "entails" in line 2 or paragraph 2) are the same. All contain a "discrimination" paragraph, a "severability clause, and the definitions of "Government" are copied throughout. Other deletions or additions to the submissions do not detract from the fact that multiple unfavorable fiscal consequences will result if passage of any happens. So, I feel it is fair to say that these comments relate to each and every variation, rather than to repeat the same points one by one, over and over.

Another observation about which no one can reasonably disagree is that these are extremely broad, and being so broad are vague and ambiguous. Applications can be to an expansive variety of situations, all at costs to the state and local governmental agencies. This is especially the case in light of the present political structure of the federal government, and of course many federal monies flow to the State of Missouri. Another way of saying this, although a somewhat different point, is the potential, actually a likelihood, that direction of funding can be "weaponized", so state laws conform to federal ones. Thus, the state of Missouri is "fiscally" affected. The federal government and the states do not exist as if there is a wall in between. Money flows back and forth, and thus a state can easily be targeted and penalized by federal legislative and executive actions.

Most recently as this week President Biden proclaimed that it was "cruel" and "close to sinful" for Florida to ban subjecting children to sex-change procedures. (Not to subject the children, but to ban subjecting the children)! The aforesaid ballot proposals insist that the "right to reproductive freedom" shall not be denied, interfered with, delayed, or otherwise restricted, and governmental action should be deemed invalid. The ballot also uses language in paragraph 2 of all versions the clause "not limited to". It would thus appear that the subject of sex-change procedures, is included. Similarly, some of the

suggested versions require no parental or guardian consent whatsoever, and others only superficially address the subject with a sure-fire exception that a health care professional (not even a treating physician) can approve an abortion without consent if he/she thinks that getting consent may lead to emotional harm to the minor. All of the proposals do not even require that a physician is necessary to provide medical care. In fact you don't even need any license. Medical malpractice will automatically result. The harm to patients for this poor care, and the cost to the State for care of these patients will be an adverse fiscal result.

All of the above circumstances, would lead responsible hospitals and medical care providers to practice their profession with higher and different standards. And so they would refuse to abide by the above random, and harmful, provisions. Next, we come to the subject of "who is going to pay the bill"? Medicaid, as we know, pays an enormous amount of medical charges. Hospitals and doctors get reimbursed by the State, but the State must comply with federal law. If a State fails to follow the law, for the federal portion, which is over half, it may not get reimbursed. The State suffers fiscally. My numbers are that the State of Missouri receives 12.5 billion in federal Medicaid money.

What if, for example, Cardinal Glennon Hospital in St. Louis refused to perform sex change surgery on a minor, with or without parental consent, in its hospital? It is against its religious beliefs, among many other reasons. Can the hospital be denied Medicaid funds? The text of the proposals require such. The President has just declared that refusing to perform this is "cruel". If the State foots the bill and does not get reimbursed from the federal government, this is a fiscal loss.

Is medical insurance required to pay for "reproductive health care"? If so, these are expensive fiscal consequences of the proposals.

The proposals also yield enormous costs to the State in situations where persons or institutions refuse care against their medical "standard of care" but do not even require a license (creating a breeding ground for malpractice, and all of the expenses that come with it). With Medicaid, the state pays part of the bill, but may not get reimbursed the rest if the proposed bill is not followed. What about the "religious beliefs" of medical care providers. If, for example, Catholic hospitals are penalized, the State of Missouri could also be "fiscally" penalized.

What about the issue of prescribing pills to induce abortion---chemical abortion? Do these proposals mean that all care providers must not deny, restrict, or delay this form of abortion? Is the "government" discriminating against patients by not requiring care providers including pharmacists to dispense the pills? Can they be penalized by withholding of Medicaid payments?

The issue of federal Medicaid funds being disallowed has come up before. In December 2020 HHS and OCR announced that \$200 million in federal Medicaid funds going to California in the upcoming quarter were being denied. This was due to the state illegally mandating that all health care plans subject to regulation by the California Department

of Managed Health Care cover abortion without exclusion or limitation. Furthermore, if California did not come into compliance, additional disallowances would be imposed at a rate of \$200 million per quarter. In a Vermont case, receipt of federal funds because of discrimination against an employee who refused to participate in abortions was threatened. I mention this because of the potential fiscal effect on the State of Missouri if one of these proposals was passed.

So as not to overlook the obvious, the proposals if passed would surely make abortions easier in this state, depriving the state of countless future taxpaying citizens. These persons, if allowed to live, would work, create and staff businesses, produce products, and in general contribute to the economy. A growing population encourages others to move here which in turn results in additional fiscal activity. And, although much of the above addresses Medicaid costs, since fewer workers will be around to contribute to the Medicare system, this system will be under fiscal stress also.

These are only some of the immediate, short-term, and permanent unfortunate fiscal consequences to State and local government if any of the proposals pass.

Thank you for considering this information.

David C. Drury

Attorney at Law

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314-868-7460

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**Rachel U. Greszler, Senior Research Fellow in Economics, Budgets, and Entitlements,
The Heritage Foundation** provided the following information:

Date: March 17, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

Per Missouri's [fiscal impact](#) provisions, I have prepared the below fiscal note comments on the proposed ballot initiative "A Constitutional Amendment Concerning the Regulation of Abortion" as submitted to your office on March 9, 2023 as initiative petitions 24-077 through 24-087. My comments are my own and should not be construed as representing any official position of the Heritage Foundation.

Missouri is considering laws that would make abortion legal and easily accessible. The State should not take that step, simply because it would result in the death of thousands of innocent human beings. I offer this fiscal note to provide additional reasons that might persuade those who wrongly doubt that unborn human babies are persons.

By significantly reducing the number of births in the state, these laws would reduce the state's population growth and generate short- and long-term impacts on the state's output and its government finances. Abortion laws could also impact individuals' and families' personal finances, health, and wellbeing in ways that affect states revenues and expenses.

Population growth and economic growth go hand in hand so long as the necessary resources and infrastructure are in place to support that growth. Those resources and infrastructure are in place and the U.S. faces an unprecedented labor shortage. Recent declines in fertility rates threaten to reduce population growth and current and future economic growth. Moreover, government debt has created a situation in which the future wellbeing of current residents is dependent upon a growing population and workforce to pay for current debts and for unfunded obligations promised to retirees.

Since 2007, the [total fertility rate](#) in the U.S. declined from 2.11 births per woman (right at replacement rate) to just 1.66 births per woman in 2021. Missouri's total fertility rate declined from 2.08 in 2007 to 1.60 in 2021.

Compared to current law (in which abortion is illegal in Missouri except in instances in which the woman's life is in danger or her health is severely compromised), the proposed laws could

lead to an additional [2,000 to 9,000 abortions per year](#) in Missouri, depending on how expansive abortion access would become.¹ Based on population projections from the Census Bureau, and assuming a one-for-one correlation between increased abortions and reduced population, the proposed abortion laws could reduce Missouri's projected population by 0.3 percent to 1.4 percent over the next 10 years and by 0.6 percent to 2.7 percent over the next 20 years.

The state needs to consider the following potential effects of abortion-induced population decline in its impact analysis:

A reduced labor force. Fewer births and a smaller population means a smaller future labor force. While proponents of abortion make the economic case that abortion enables women to work and earn more, the additional measurable work and earnings of women as a result of having an abortion is miniscule compared to the potential lifetime work and earnings of another human being. Moreover, while having a child can reduce mothers' work and earnings, it tends to increase fathers' work and earnings—a factor that is ignored in abortion advocates economic claims.

Healthcare strain. Already, the U.S. faces [serious shortages](#) of healthcare workers and the population is continuing to age. Young people (those who would be aborted over the coming decades as a result of the proposed laws) consume very little healthcare, and as they reach working age, they are net providers of healthcare. This means the proposed laws could exacerbate healthcare worker shortages, limit Missourians' [access to healthcare](#), and potentially drive up the state's [healthcare costs](#) as shortages lead to higher prices. With Medicaid being Missouri's largest budgetary item (in FY 2022, Missouri's Medicaid spending was 74 percent greater than its K-12 education spending), and the state being limited by the federal government in its ability to reduce Medicaid spending, higher healthcare costs could impose significant budget constraints.

Reduced tax revenues. In the immediate future, fewer children born in Missouri could reduce sales and real estate tax revenues because households with children spend more and tend to live in higher-value housing. While the income tax revenues of women who have children could be lower if they work less after having children, the work and [earnings of men](#) tend to rise after they have children. In the decades following increased abortions, the absence of potentially tens of thousands of workers would lead to reduced income tax revenues. Although some state expenses are proportional to the number of residents and would decline over time, many expenses are not, and declining revenues would necessitate higher taxes or spending cuts.

Exacerbated unfunded pensions and other post-employment benefits. Depending on different assumptions and risk levels, Missouri has between [\\$36 billion](#) and [\\$171 billion](#) in unfunded pension and [other post-employment benefits](#). That is money that has already been promised to public sector workers and retirees, but which has not been set aside to provide those benefits. The American Legislative Exchange Council estimates that Missouri's unfunded pension liabilities alone amount to [\\$26,965 per capita](#) in 2021, and these unfunded liabilities are

¹ Estimated increase based on the number of abortions in Missouri, as reported by the [Missouri Department of Health and Senior Services](#) and the [Guttmacher Institute](#), reporting roughly 9,000 abortions around 2000-2001 and about 2,000 abortions around 2020-2021.

continuing to grow. The fewer people Missouri has, the larger the per-capita liabilities become, and the harder it will be to raise taxes on workers and employers without them moving to other states. Among many consequences, [economic analysis](#) shows that unfunded pension obligations lead to lower real estate values, which would reduce property tax revenues.

Conclusion

It is an unquestionable fact that the U.S. Constitution requires all state and local governments to uphold Americans' most fundamental natural rights, including that of the right to life. Not counting unborn humans as living beings and treating abortion as an exercise in economic eugenics is an assault on these rights and values.

Even then, the fiscal and economic perspectives of abortion advocates are lacking sufficient economic rigor. I offer this fiscal analysis that provides good reasons to reject the proposed amendments on premises that abortion advocates may be able to accept.

The proposed laws to legalize and expand abortion access in Missouri warrant a properly conducted fiscal analysis. As a part of the debate, policymakers must consider how increased abortions will affect Missouri's population, workforce, fundamental services such as healthcare, the states tax revenues and expenditures, and Missouri's ability to make good on its unfunded pension and other post-employment benefit obligations.

Respectfully,

Rachel U. Greszler
Senior Research Fellow in Economics, Budgets, and Entitlements
The Heritage Foundation
214 Massachusetts Ave, NE
Washington, DC 20002
Email: rachel.greszler@heritage.org

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The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.**

Fiscal Note Summary

State governmental entities estimate no costs or savings, but unknown impact. Local governmental entities estimate costs of at least \$51,000 annually in reduced tax revenues. Opponents estimate a potentially significant loss to state revenue.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

RECEIVED

MAR 09 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Anna Fitz-James regarding a proposed constitutional amendment to Article I, version 9 (2024-085)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Anna Fitz-James on March 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
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B. Ashcroft

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

My Commission Expires:____
(Seal)

NOTICE: The proposed amendment revises Article I of the Constitution by adopting one new Section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article I of the Constitution is revised by adopting one new Section to be known as Article I, Section 36 to read as follows:

Section 36. 1. This Section shall be known as “The Right to Reproductive Freedom Initiative.”

2. The Government shall not deny or infringe upon a person's fundamental right to reproductive freedom, which is the right to make and carry out decisions about all matters relating to reproductive health care, including but not limited to prenatal care, childbirth, postpartum care, birth control, abortion care, miscarriage care, and respectful birthing conditions.

3. The right to reproductive freedom shall not be denied, interfered with, delayed, or otherwise restricted unless the Government demonstrates that such action is justified by a compelling governmental interest achieved by the least restrictive means. Any denial, interference, delay, or restriction of the right to reproductive freedom shall be presumed invalid. For purposes of this Section, a governmental interest is compelling only if it is for the limited purpose and has the limited effect of improving or maintaining the health of a person seeking care, is consistent with widely accepted clinical standards of practice and evidence-based medicine, and does not infringe on that person's autonomous decision-making.

4. Notwithstanding subsection 3 of this Section, the general assembly may enact laws that regulate the provision of abortion after Fetal Viability provided that under no circumstance shall the Government deny, burden, or restrict an abortion that in the good faith judgment of a treating health care professional is needed to protect the life or physical or mental health of the pregnant person.

5. No person shall be penalized, prosecuted, or otherwise subjected to adverse action based on their actual, potential, perceived, or alleged pregnancy outcomes, including but not limited to miscarriage, stillbirth, or abortion. Nor shall any person assisting a person in exercising their right to reproductive freedom with that person's consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.

6. Notwithstanding this Section, the general assembly may enact laws that require a health care professional, before providing an abortion to a minor, obtain consent from a parent or guardian of the minor, provided that such law shall permit the health care professional to provide the abortion without such consent if, in the good faith judgment of a health care professional:

(1) obtaining consent may lead to physical or emotional harm to the minor;

(2) the minor is mature and capable of consenting to an abortion; or

(3) obtaining consent would not be in the best interest of the minor.

7. The Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.

8. Nothing in this Section requires government funding of abortion procedures.

9. If any provision of this Section or the application thereof to anyone or to any circumstance is held invalid, the remainder of those provisions and the application of such provisions to others or other circumstances shall not be affected thereby.

10. For purposes of this Section, the following terms mean:

(1) “Fetal Viability”, the point in pregnancy when, in the good faith judgment of a treating health care professional and based on the particular facts of the case, there is a significant likelihood of the fetus's sustained survival outside the uterus without the application of extraordinary medical measures.

(2) “Government”,

a. the state of Missouri; or

b. any municipality, city, town, village, township, district, authority, public subdivision or public corporation having the power to tax or regulate, or any portion of two or more such entities within the state of Missouri.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-085)**

Subject

Initiative petition from Anna Fitz-James regarding a proposed constitutional amendment to Article I. (Received March 9, 2023)

Date

March 29, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Susan Klein, Executive Director, Missouri Right to Life provided information to the State Auditor's office.

Samuel H. Lee, Campaign Life Missouri provided information to the State Auditor's office.

David C. Drury, Attorney at Law provided information to the State Auditor's office.

Rachel U. Greszler, Senior Research Fellow in Economics, Budgets and Entitlements, The Heritage Foundation provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-085 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated changes to the bill are as follows:

Initiative petition 24-085 is identical to 24-077 with the following exceptions:

Adds new Section 36.4, which states "Notwithstanding subsection 3 of this Section, the general assembly may enact laws that regulate the provision of abortion after Fetal Viability provided that under no circumstance shall the Government deny, burden, or otherwise restrict an abortion that in the good faith judgement of a treating health care professional is needed to protect the life or physical or mental health of the pregnant person."

Adds new Section 36.6, which states "Notwithstanding this Section, the general assembly may enact laws that require a health care professional, before providing an abortion to a minor, obtain consent from a parent or guardian of the minor, provided that such law shall permit the health care professional to provide the abortion without consent if, in the good

faith judgement of a health care professional: (1) obtaining consent may lead to physical or emotional harm to the minor, (2) the minor is mature and capable of consenting to an abortion; or (3) obtaining consent would not be in the best interest of the minor."

Removes "other than as required by federal law" from Section 36.8 (Section 36.6 in 24-077)

Adds definition for Fetal Viability in Section 36.10(1), "'Fetal Viability,' the point in pregnancy when, in the good faith judgement of a treating health care professional and based on the particular facts of the case, there is a significant likelihood of the fetus's sustained survival outside the uterus without the application of extraordinary medical measures."

Comments:

The fiscal impact for 24-085 is the same as the fiscal impact for 24-077 and is as follows:

- FY 2024 General Revenue: (\$0 to Unknown)
- FY 2025 General Revenue: (\$0 to Unknown)
- FY 2026 General Revenue: (\$0 to Unknown)

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article I.

Officials from the **Department of Revenue** indicated the initiative petition does not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to reproductive issues does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-085 has no anticipated fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to reproductive issues does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office is anticipated.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated in reviewing initiative petition 24-085 it has been determined there will be an increased cost to the County of Greene due to loss of tax revenue if voters vote to amend Article I.

The Missouri Department of Health & Senior Services recorded 135 "resident abortions" for Greene County in 2020 and 118 in 2021. The population of Greene County per the 2020 United States census was 298,915. (<https://www.census.gov/quickfacts/fact/table/greene-county-missouri/PST045221>)

In terms of economic impact, Greene County received \$112,673,249 in sales and property taxes for calendar year 2022 (\$376.94 per capita based on 2020 census data). Accordingly, calculations from these figures indicate an annual loss in population of **135** represents a cost to the County of **\$50,886.90**; an increase in abortion statistics could reasonably be extrapolated to illustrate less tax collections and revenues over the years of potential working lifetimes.

Please see the attached table demonstrating the anticipated yearly on per capita basis and the overall fiscal impact on Greene County tax collections and revenues based on the recorded abortions in 2020 by Missouri Department of Health and Senior Services.

Additional research regarding the broader fiscal impact of lower fertility rates on local and state communities and government budgets may be found here:

- <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/12/the-long-term-decline-in-fertility-and-what-it-means-for-state-budgets>

Greene County Collections in 2022	
2020 Population	298,915
Total Sales Tax Collected	126,986,094.91
Parks I	(8,226,052.01)
Parks II	(8,773,337.47)
Dan Kinney Bond from Parks I	(551,342.50)
LEST	(11,631,863.21)
Strafford TIF	(24,374.44)
Springfield Plaza TIF	(174,240.83)
Sales Tax Subtotal	97,604,884.45
Real Estate Tax	12,222,341.99
Personal Property Tax	2,846,022.58
Property Tax SubTotal	15,068,364.57
Total Taxes	112,673,249.02
Per Capita	376.94
Annual lost population	135
Annual Cost	50,886.90

Officials from **St. Louis County** indicated this has no fiscal impact on their county.

Officials from the **City of Jefferson City** indicated they do not think there would be a direct fiscal impact to the City of Jefferson imposed by Initiative Petition 24-085 proposing to amend Article I. There could be an indirect fiscal impact resulting from increased lawsuits related to violations of the act.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and believe the initiative would have no direct cost or revenue impact.

Susan Klein, Executive Director, Missouri Right to Life provided the following information:



PO Box 651
Jefferson City, MO 65102
573-635-5110
www.missourilife.org

March 15, 2023

Office of the Missouri State Auditor
The Honorable Scott Fitzpatrick
301 West High Street, Room 880
Jefferson City, MO 65102

Dear Auditor Fitzpatrick,

On behalf of the Members, Board and Staff of Missouri Right to Life, I submit to you our comments for consideration and inclusion in the fiscal note you will be preparing regarding the effects to the State of Missouri and its Local Governments of Initiative Petition(s) 2024-077 through 2024-087.

The Petitions Would Create Devastating Impacts for Missouri's Budget:

On March 8, 2023, 11 proposed initiative petitions (2024-077 through 2024-087) were filed with the Missouri Secretary of State's Office by Anna Fitz-James for a campaign committee called "Missourians for Constitutional Freedom." While each initiative petition has some slight variations, they are all identical in their purpose and their fiscal effects to General Revenue, Federal Funds, and Other Funds received by the State of Missouri and the impact to local governments.

The fiscal effects of some of the impacts of the petition(s) follow:

- **Abortion Injuries, Sanctions, Litigation and Loss of Federal Funding:** The petition will allow for abortions to be performed up until the moment of birth and possibly beyond. In addition to the loss of the life of the unborn child and the ending of his or her priceless contributions to our state and society, surgical and chemical abortions have risks and complications to the health of the mother. The cost impacts of surgical and medical abortion physical injuries would result in a devastating impact to Missouri's balanced budget due to an expansion of costs for Missouri's state and Federally-funded healthcare programs. In addition, women endure emotional trauma after an abortion. A massive increase in funding for mental health services would be required. Under current Federal law, states are barred from using Federal funds to pay for abortions except in limited cases (the Hyde Amendment). Federal funding could be in jeopardy and Missouri could be subject to the risk of litigation and sanctions, including the possibility of deferral or disallowance of federal financial participation in Missouri's Medicaid program. In 2019, more than \$7.2 billion in Federal funds were budgeted for Mo HealthNet services (Department of Social Services, Department of Mental Health, and Department of Health and Senior Services). The loss of these funds would be devastating to Missouri.

- **Loss of Licensing Fee Revenues/Penalties:** The petition will allow for anyone to perform an abortion with no penalty, prosecution or adverse action for performing the abortion. An abortion provider would no longer have a reason to maintain his or her license with the State of Missouri (and anyone who chose to perform an abortion would be protected under the Constitution to do so without any regulations or consequences). Missouri laws and regulations would be nullified, and licensing fees normally collected would decline.
- **Rural Hospitals Impacted:** Rural hospitals are already struggling. The petition will allow anyone to perform an abortion with no penalty, prosecution or regulation, and will result in a skyrocketing number of women injured by abortion who will need emergency services, flooding Emergency Rooms and health clinics and limiting or delaying access to emergency healthcare services needed by other individuals. This will result in a fiscal impact to the state. The state will also experience a fiscal impact through staff shortages as abortion-injured state employees seek medical care, surgery and recovery time off work to manage complications of abortion.
- **Missouri Could Face a Budgetary Crisis Due to Loss of Federal Funding from Violating Federal Conscience Laws:** The petition will force Missouri to be out of compliance with Federal conscience laws. This could result in the loss of billions of dollars of Federal funding, litigation and sanctions. If the Federal Government sanctions Missouri due to these violations, this will be devastating and create a budgetary crisis in Missouri. The state will also experience a fiscal impact through staff shortages as state employees flee state jobs where they feel their conscience is violated due to being forced to assist with an abortion.
- **Abortions Funded With Public Tax Dollars:** The petition will allow for the funding of abortions with public tax dollars. The language does not prohibit government funding of abortion procedures or of abortion providers. This would result in a massive fiscal impact to Missouri's balanced budget.
- **Constitutional Protections for Human Traffickers:** The petition will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion. This would result in Constitutional protections for child sex traffickers who impregnate their victims and coerce them into an abortion and would render ineffective Missouri law enforcement, prosecution and justice efforts tasked with upholding our Constitution and laws. The petition could hamper the Federal Government's efforts under The Trafficking Victims Protection Act of 2000 and other Federal laws and could result in sanctions from any Federal funding that Missouri would otherwise be eligible to receive.
- **Sex Changes, et. al, Funded With Public Tax Dollars:** The petition, under the guise of "The Right to Reproductive Freedom," will allow the funding of sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars. This would result in a massive fiscal impact to Missouri's balanced budget.

In summary, any fiscal note of the petition(s) should contain the following language and should also include the estimated fiscal net effects to the State of Missouri and its local government:

This initiative petition (a) will allow for abortions to be performed up until the moment of birth and possibly beyond, which would put Missouri in jeopardy of losing billions of dollars of Federal funding and create an unplanned strain on the state's General Revenue, Other and Local Funds as a result of abortion injuries, sanctions, litigation, loss of licensing fee/penalty revenues, and overloaded emergency rooms and healthcare facilities, (b) will put Missouri in violation of Federal conscience laws, which could result in a loss of billions of dollars of Federal funding and an increase of state and local government employee vacancies and litigation due to exercising their rights of conscience, (c) will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion, thereby creating Constitutional protections for Human Traffickers which could result in a loss of Federal funding, and (d) will allow for the funding of abortions, sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars which would result in a massive fiscal impact to the State of Missouri and its local government budgets.

Sincerely,

A handwritten signature in cursive script that reads "Susan Klein". The signature is written in dark ink and is positioned above the printed name and title.

Susan Klein
Executive Director
Missouri Right to Life

Samuel H. Lee, Campaign Life Missouri provided the following information:



Samuel Lee
Director

March 16, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

In accordance with the provisions of [section 116.175](#), this is a proposed statement of the fiscal impact of the 11 initiative petitions numbered 24-077 through 24-087, which your office received on March 9, 2023.

To summarize, the proposed ballot measures – all of which would amend the Missouri Constitution – could result in:

- A decrease in federal Medicaid revenues by an unknown amount, up to \$12.5 billion annually.
- Increased costs to taxpayers of unknown amounts, because of medical treatment of, or other services for, children or adults injured by abortions, sex-change operations, genital mutilation or other unspecified “reproductive health care” performed by unlicensed or untrained persons.
- Increased costs of an unknown amount to the Department of Health and Senior Services for the inspection and licensing of thousands of abortion facilities.
- Loss of revenue of unknown amounts to the state and its political subdivisions, because of boycotts of businesses, shopping, tourism or other revenue-generating activities, as a result of Missouri becoming the Midwest’s “abortion destination” state.
- Long-term loss of revenues of unknown amounts to the state and its political subdivisions, because of a decrease in the workforce due to the number of children who are aborted before birth. Also, because of individuals who can no longer work after they become disabled as a result of unsafe abortions, sex-change operations, genital mutilation or other unspecified, unsafe “reproductive health care.” But more important than fiscal costs, the human cost to Missouri’s citizens is unimaginable.

Former-Auditor Galloway made a comparable analysis of the fiscal impacts when she issued her fiscal note and fiscal note summary on [HB 126 \(20-R001 on June 19, 2019\)](#) – the subject of a

referendum that year. Her fiscal note summary became part of the [official ballot title certified by Secretary of State on August 14, 2019](#), for the referendum on HB 126.

Supporting Information on Fiscal Impact of the 11 Initiative Petitions:

- The loss of federal Medicaid matching dollars, which in the proposed fiscal year 2024 budget **would be a loss of nearly \$12.5 billion**.
 - In FY 2023, Missouri lawmakers appropriated about \$16.9 billion for Medicaid (MO HealthNet) across state agencies. [The majority of Medicaid financing in 2023 – \\$10.6 billion – came from federal matching funds](#). The governor’s proposed budget for MO HealthNet for FY 2024 is nearly \$19.3 billion – [almost \\$12.5 billion which would come from federal funds](#).
 - The loss of federal Medicaid matching funds could occur if Missouri is out of compliance with federal Medicaid requirements, for example:
 - If the state cuts off Medicaid reimbursements to Catholic hospitals. This could be a result of the requirement in the initiative petitions that the “Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom.” This might include the state requiring Medicaid providers to sterilize patients, dispense puberty blockers or remove sex organs during sex-change operations.
 - This might also include the state requiring hospitals to participate in the horrendous practice of genital mutilation, currently prohibited by state law under [section 568.065](#), and for which no defense is allowed for “a matter of custom, ritual or standard practice, or [by] consent to the conduct by the child.”
 - But because of the broad-based definition of “reproductive health care” in the 11 initiative petitions (“including but not limited to”), state courts could easily find that genital mutilation is constitutionally protected activity, and strike down existing law.
 - However, for the state government to require Catholic health care providers (or others) to provide these procedures, it would be a violation of their conscience rights – for which the federal government could withhold from the state, Medicaid matching dollars.
 - For example, in California in 2020, [HHS disallowed \\$200 million in federal Medicaid matching funds per quarter due to the state’s unlawful abortion insurance mandate](#), which forced a Catholic order of religious sisters and a non-profit Christian Church to provide abortion health insurance coverage. See also:
 - [“The Fight Over California’s Abortion Coverage Mandate,” Regulatory Review](#), February 3, 2021 (“Can a state require that all health plans offered to its residents cover elective abortions? The federal government thinks not, and the state of California is poised to lose at least \$200 million in Medicaid dollars because it insists that health plans in its state cover abortion services.”)

- [“Federal agency says UVM Med Center forced nurse to assist in abortion,” VT Digger](#), August 28, 2019 (“The U.S. Department of Health and Human Services has accused the University of Vermont Medical Center of forcing a nurse to assist in an abortion procedure despite the nurse’s religious objections. ... The [letter from Roger Severino](#), the director of HHS’ Office for Civil Rights, asks the hospital to adjust its policies or face losing the federal funding it receives from HHS.”)
- There might be additional circumstances where state compliance with at least some of the proposed constitutional amendments would force the state to be out of compliance with federal Medicaid law, such as the state paying for abortions (or other procedures) with federal funds that are not permitted to be reimbursed under federal law. For example, the state might be compelled by the terms of some of the initiative petitions to pay for all abortions for all Medicaid-eligible females, because failing to do so might “discriminate against persons” if the state is paying for the labor and delivery of children for all Medicaid-eligible females. In other words, under the state constitution, Missouri might no longer be [“permitted to enact persuasive measures which favor childbirth over abortion”](#) (*Planned Parenthood v. Casey*, 505 U.S. 833, 886 (1992)). Such non-compliance with federal Medicaid law might also apply to other broad-based, undefined “reproductive health care,” which the state might also be compelled to pay for.
- Under the initiative petitions, the “Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.” “Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, ANY person of ANY age could legally provide, or assist another person in obtaining, an abortion, a sex-change operation, genital mutilation or other unspecified “reproductive health care.” **This could result in numerous, life-altering medical complications to the child or adult who underwent the “reproductive health care.”** Especially with abortion – particularly for abortions performed later in pregnancy – this could result in huge medical costs for her and her child **that are ultimately paid for by taxpayers.**
 - Regarding abortion, in Missouri, the [cost of inpatient medical procedures and emergency department services for treating “issues before childbirth with complications”](#) is a **median charge per person of \$11,977** – with a minimum charges of \$4,140 and a **maximum charge of \$35,345.**
 - And the cost could be even higher for an abortion-related ER visit. [One recent study](#) found that a “[p]atient concealment and/or physician failure to identify a prior abortion during an ER visit is a significant risk factor for a subsequent hospital admission.” In fact, “[c]hemical abortion patients whose abortions are misclassified

- as miscarriages during an ER visit subsequently experience on average 3.2 hospital admissions within 30 days. 86% of the patients ultimately have surgical removal of retained products of conception (RPOC).”
- According to the CDC, in 2020, nearly 10,000 Missouri residents obtained abortions ([9,980 total, but only 167 within the state](#)). Having unlicensed, non-medical personnel permitted to perform or induce abortions within the state on even a fraction of these 10,000 girls or women could result in untold harm to them now – and harm to their future health and fertility.
 - And there might be additional costs to the state or political subdivisions beyond treating the complications to girls or women from being provided abortions by non-physicians or even non-medical personnel. Any low-birthweight infant born alive after a late-term abortion could need long-term NICU care and possibly permanent assistance throughout childhood and during his or her adult life.
 - According to a [2020 New York Times story](#): “The March of Dimes estimates that the average societal cost of each preterm birth, which includes medical care, early intervention services and lost productivity, is \$65,000.”
 - That same story reported on a cost of \$4 million in NICU costs for triplets who were born prematurely.
 - [Preterm birth lifetime costs in the United States](#) (as of 2016) were “estimated to be \$25.2 billion: \$17.1 billion for medical care of persons born preterm, \$2.0 billion for delivery care, \$1.3 billion for early intervention and special education, and \$4.8 billion in lost productivity due to associated disabilities in adults.”
- **Other costs could be the licensing and inspection of multiple locations (potentially thousands of sites) as “abortion facilities,” as required under Missouri law.** This is because [section 197.205](#) requires that no person or governmental unit shall establish, conduct or maintain an abortion facility in the state without a license issued by the Missouri Department of Health and Senior Services (DHSS).
 - [Section 188.015](#) defines an “abortion facility” as “a clinic, physician’s office, or any other place or facility in which abortions are performed or induced other than a hospital”.
 - [Section 197.230](#) states that “[i]n the case of any abortion facility, the department [of health and senior services (DHSS)] shall make or cause to be made an unannounced on-site inspection and investigation at least annually.” Such on-site inspections and investigations must include a variety of areas relating to staffing and equipment to respond to medical emergencies, compliance with Missouri’s abortion laws and the requirement that continuous physician services or registered professional nursing services are to be provided whenever a patient is in the facility.
 - There are [more than 7,000 licensed pharmacists in Missouri](#), and under the proposed constitutional amendment, any pharmacy (or other place) where a pharmacist provides abortion pills, DHSS would be required to inspect and license. **This would**

be an enormous cost to the department and to taxpayers. And any other place where abortion pills would be provided (homes, schools, vending machines, doctor's offices, clinics, etc.) would also have to be inspected at least once a year and licensed.

- **Economic boycotts of Missouri and its businesses could result if the “Show-Me” state becomes the “Abort-Me” state, once it is transformed into the Midwest’s “abortion destination” – a distinct possibility since Missouri is “within a day’s reach of half of U.S. households”.**
 - Just as some pro-abortion advocates in other states are promoting boycotts of states like Missouri that currently protect unborn children from abortion, pro-life advocates in other states might boycott by no longer purchasing from Missouri businesses, or engaging in travel, tourism or shopping in Missouri. How tragic that would be for Missouri, which has been described as one of the top pro-life states in the country.
 - Some “red” states have been prohibiting or attempting to prohibit their governmental entities from doing business with financial firms in other states that take environmental, social and corporate governance (ESG) into consideration, and those same states and additional ones might extend that to any “abortion destination” state – which is what Missouri could become if any one of the 11 initiative petitions is enacted into law.
 - “Missouri tourism provides a \$13.5 billion economic impact that creates more than 257,000 jobs in the state,” according to the Missouri Division of Tourism. It could be a devastating loss to the state and its residents if Missouri became the abortion capital of the Midwest.
- By some estimates, the economic cost to the U.S. of abortion in 2019 – due to the loss of nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of GDP. **Missouri could experience increased economic loss if the number of abortions increases in the state.** And unsafe, legal abortions in the state could result in the disability of countless women who – perhaps permanently – would be unable to enter or remain in the workforce.
 - According to a June 15, 2022 report of the Joint Economic Committee – Congressional Republicans *The Economic Cost of Abortion* – the economic cost of an abortion due to the loss of unborn lives is 425 times larger than the earnings loss mothers could be expected to incur when having a child.”
 - According to a key finding in the report: “In the long run, abortion shrinks the labor force, stunts innovation, and limits economic growth. It also weakens the solvency of social insurance programs like Social Security and Medicare that rely on workers to support a growing elderly population.”
 - And as the International Planned Parenthood Federation has noted: “**Unsafe abortions** are performed by un- or under-trained providers ... It is possible to have an unsafe, legal abortion.” (underlining added)

- Under the initiative petitions, “any person assisting a person in exercising their right to reproductive freedom” shall not “be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, unlicensed, untrained persons of ANY age could perform unsafe, legal abortions or other “reproductive health care,” and the “Government shall not discriminate against persons ... in doing so.” While the economic cost of this policy is incalculable, more important and horrifying, the human cost to Missouri’s citizens is unimaginable.

Auditor Fitzpatrick, if we can be of further assistance, please do not hesitate to contact us.

Sam

Samuel H. Lee
Campaign Life Missouri
P.O. Box 142585
St. Louis, MO 63114-0585
(314) 368-4242
Email: samuelhlee@mindspring.com
Twitter: [@samuelhlee](https://twitter.com/samuelhlee)



P.O. Box 142585 • St. Louis, MO 63114-0585

David C. Drury, Attorney at Law provided the following information:

Dear Auditor Fitzpatrick:

I am a licensed attorney in the St. Louis Metropolitan area who has practiced law here for the last fifty years.

Eleven similar proposals to destroy major Missouri laws which have existed for decades are being suggested by petition numbers 2024-077 to 2024-087.

As you are aware, section 116.175 et al requires that a fiscal note and fiscal note summary state a measure's estimated cost or savings to any state or local governmental entity. In general, a strong fiscal outlook is an essential foundation for a growing, thriving economy. The gap between income and spending is subsequently closed by government borrowing, something to ideally be avoided. Moreover, voters, especially in this conservative state, should be informed and educated of the costs of measures so radical they reverse and erase in one fell swoop the studied product of elected representatives. Indeed, the cost of a proposal may be the reason a voter decides against it.

As commented, the above proposals, although different in some respects, all contain much identical language. For example, the Preamble and first three numbered paragraphs (except 077 uses the word "entails" in line 2 or paragraph 2) are the same. All contain a "discrimination" paragraph, a "severability clause, and the definitions of "Government" are copied throughout. Other deletions or additions to the submissions do not detract from the fact that multiple unfavorable fiscal consequences will result if passage of any happens. So, I feel it is fair to say that these comments relate to each and every variation, rather than to repeat the same points one by one, over and over.

Another observation about which no one can reasonably disagree is that these are extremely broad, and being so broad are vague and ambiguous. Applications can be to an expansive variety of situations, all at costs to the state and local governmental agencies. This is especially the case in light of the present political structure of the federal government, and of course many federal monies flow to the State of Missouri. Another way of saying this, although a somewhat different point, is the potential, actually a likelihood, that direction of funding can be "weaponized", so state laws conform to federal ones. Thus, the state of Missouri is "fiscally" affected. The federal government and the states do not exist as if there is a wall in between. Money flows back and forth, and thus a state can easily be targeted and penalized by federal legislative and executive actions.

Most recently as this week President Biden proclaimed that it was "cruel" and "close to sinful" for Florida to ban subjecting children to sex-change procedures. (Not to subject the children, but to ban subjecting the children)! The aforesaid ballot proposals insist that the "right to reproductive freedom" shall not be denied, interfered with, delayed, or otherwise restricted, and governmental action should be deemed invalid. The ballot also uses language in paragraph 2 of all versions the clause "not limited to". It would thus appear that the subject of sex-change procedures, is included. Similarly, some of the

suggested versions require no parental or guardian consent whatsoever, and others only superficially address the subject with a sure-fire exception that a health care professional (not even a treating physician) can approve an abortion without consent if he/she thinks that getting consent may lead to emotional harm to the minor. All of the proposals do not even require that a physician is necessary to provide medical care. In fact you don't even need any license. Medical malpractice will automatically result. The harm to patients for this poor care, and the cost to the State for care of these patients will be an adverse fiscal result.

All of the above circumstances, would lead responsible hospitals and medical care providers to practice their profession with higher and different standards. And so they would refuse to abide by the above random, and harmful, provisions. Next, we come to the subject of "who is going to pay the bill"? Medicaid, as we know, pays an enormous amount of medical charges. Hospitals and doctors get reimbursed by the State, but the State must comply with federal law. If a State fails to follow the law, for the federal portion, which is over half, it may not get reimbursed. The State suffers fiscally. My numbers are that the State of Missouri receives 12.5 billion in federal Medicaid money.

What if, for example, Cardinal Glennon Hospital in St. Louis refused to perform sex change surgery on a minor, with or without parental consent, in its hospital? It is against its religious beliefs, among many other reasons. Can the hospital be denied Medicaid funds? The text of the proposals require such. The President has just declared that refusing to perform this is "cruel". If the State foots the bill and does not get reimbursed from the federal government, this is a fiscal loss.

Is medical insurance required to pay for "reproductive health care"? If so, these are expensive fiscal consequences of the proposals.

The proposals also yield enormous costs to the State in situations where persons or institutions refuse care against their medical "standard of care" but do not even require a license (creating a breeding ground for malpractice, and all of the expenses that come with it). With Medicaid, the state pays part of the bill, but may not get reimbursed the rest if the proposed bill is not followed. What about the "religious beliefs" of medical care providers. If, for example, Catholic hospitals are penalized, the State of Missouri could also be "fiscally" penalized.

What about the issue of prescribing pills to induce abortion---chemical abortion? Do these proposals mean that all care providers must not deny, restrict, or delay this form of abortion? Is the "government" discriminating against patients by not requiring care providers including pharmacists to dispense the pills? Can they be penalized by withholding of Medicaid payments?

The issue of federal Medicaid funds being disallowed has come up before. In December 2020 HHS and OCR announced that \$200 million in federal Medicaid funds going to California in the upcoming quarter were being denied. This was due to the state illegally mandating that all health care plans subject to regulation by the California Department

of Managed Health Care cover abortion without exclusion or limitation. Furthermore, if California did not come into compliance, additional disallowances would be imposed at a rate of \$200 million per quarter. In a Vermont case, receipt of federal funds because of discrimination against an employee who refused to participate in abortions was threatened. I mention this because of the potential fiscal effect on the State of Missouri if one of these proposals was passed.

So as not to overlook the obvious, the proposals if passed would surely make abortions easier in this state, depriving the state of countless future taxpaying citizens. These persons, if allowed to live, would work, create and staff businesses, produce products, and in general contribute to the economy. A growing population encourages others to move here which in turn results in additional fiscal activity. And, although much of the above addresses Medicaid costs, since fewer workers will be around to contribute to the Medicare system, this system will be under fiscal stress also.

These are only some of the immediate, short-term, and permanent unfortunate fiscal consequences to State and local government if any of the proposals pass.

Thank you for considering this information.

David C. Drury

Attorney at Law

10004 Bellefontaine Road

St. Louis, Missouri 63137

314-868-7460

314-868-3122(fax)

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**Rachel U. Greszler, Senior Research Fellow in Economics, Budgets, and Entitlements,
The Heritage Foundation** provided the following information:

Date: March 17, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

Per Missouri's [fiscal impact](#) provisions, I have prepared the below fiscal note comments on the proposed ballot initiative "A Constitutional Amendment Concerning the Regulation of Abortion" as submitted to your office on March 9, 2023 as initiative petitions 24-077 through 24-087. My comments are my own and should not be construed as representing any official position of the Heritage Foundation.

Missouri is considering laws that would make abortion legal and easily accessible. The State should not take that step, simply because it would result in the death of thousands of innocent human beings. I offer this fiscal note to provide additional reasons that might persuade those who wrongly doubt that unborn human babies are persons.

By significantly reducing the number of births in the state, these laws would reduce the state's population growth and generate short- and long-term impacts on the state's output and its government finances. Abortion laws could also impact individuals' and families' personal finances, health, and wellbeing in ways that affect states revenues and expenses.

Population growth and economic growth go hand in hand so long as the necessary resources and infrastructure are in place to support that growth. Those resources and infrastructure are in place and the U.S. faces an unprecedented labor shortage. Recent declines in fertility rates threaten to reduce population growth and current and future economic growth. Moreover, government debt has created a situation in which the future wellbeing of current residents is dependent upon a growing population and workforce to pay for current debts and for unfunded obligations promised to retirees.

Since 2007, the [total fertility rate](#) in the U.S. declined from 2.11 births per woman (right at replacement rate) to just 1.66 births per woman in 2021. Missouri's total fertility rate declined from 2.08 in 2007 to 1.60 in 2021.

Compared to current law (in which abortion is illegal in Missouri except in instances in which the woman's life is in danger or her health is severely compromised), the proposed laws could

lead to an additional [2,000 to 9,000 abortions per year](#) in Missouri, depending on how expansive abortion access would become.¹ Based on population projections from the Census Bureau, and assuming a one-for-one correlation between increased abortions and reduced population, the proposed abortion laws could reduce Missouri's projected population by 0.3 percent to 1.4 percent over the next 10 years and by 0.6 percent to 2.7 percent over the next 20 years.

The state needs to consider the following potential effects of abortion-induced population decline in its impact analysis:

A reduced labor force. Fewer births and a smaller population means a smaller future labor force. While proponents of abortion make the economic case that abortion enables women to work and earn more, the additional measurable work and earnings of women as a result of having an abortion is miniscule compared to the potential lifetime work and earnings of another human being. Moreover, while having a child can reduce mothers' work and earnings, it tends to increase fathers' work and earnings—a factor that is ignored in abortion advocates economic claims.

Healthcare strain. Already, the U.S. faces [serious shortages](#) of healthcare workers and the population is continuing to age. Young people (those who would be aborted over the coming decades as a result of the proposed laws) consume very little healthcare, and as they reach working age, they are net providers of healthcare. This means the proposed laws could exacerbate healthcare worker shortages, limit Missourians' [access to healthcare](#), and potentially drive up the state's [healthcare costs](#) as shortages lead to higher prices. With Medicaid being Missouri's largest budgetary item (in FY 2022, Missouri's Medicaid spending was 74 percent greater than its K-12 education spending), and the state being limited by the federal government in its ability to reduce Medicaid spending, higher healthcare costs could impose significant budget constraints.

Reduced tax revenues. In the immediate future, fewer children born in Missouri could reduce sales and real estate tax revenues because households with children spend more and tend to live in higher-value housing. While the income tax revenues of women who have children could be lower if they work less after having children, the work and [earnings of men](#) tend to rise after they have children. In the decades following increased abortions, the absence of potentially tens of thousands of workers would lead to reduced income tax revenues. Although some state expenses are proportional to the number of residents and would decline over time, many expenses are not, and declining revenues would necessitate higher taxes or spending cuts.

Exacerbated unfunded pensions and other post-employment benefits. Depending on different assumptions and risk levels, Missouri has between [\\$36 billion](#) and [\\$171 billion](#) in unfunded pension and [other post-employment benefits](#). That is money that has already been promised to public sector workers and retirees, but which has not been set aside to provide those benefits. The American Legislative Exchange Council estimates that Missouri's unfunded pension liabilities alone amount to [\\$26,965 per capita](#) in 2021, and these unfunded liabilities are

¹ Estimated increase based on the number of abortions in Missouri, as reported by the [Missouri Department of Health and Senior Services](#) and the [Guttmacher Institute](#), reporting roughly 9,000 abortions around 2000-2001 and about 2,000 abortions around 2020-2021.

continuing to grow. The fewer people Missouri has, the larger the per-capita liabilities become, and the harder it will be to raise taxes on workers and employers without them moving to other states. Among many consequences, [economic analysis](#) shows that unfunded pension obligations lead to lower real estate values, which would reduce property tax revenues.

Conclusion

It is an unquestionable fact that the U.S. Constitution requires all state and local governments to uphold Americans' most fundamental natural rights, including that of the right to life. Not counting unborn humans as living beings and treating abortion as an exercise in economic eugenics is an assault on these rights and values.

Even then, the fiscal and economic perspectives of abortion advocates are lacking sufficient economic rigor. I offer this fiscal analysis that provides good reasons to reject the proposed amendments on premises that abortion advocates may be able to accept.

The proposed laws to legalize and expand abortion access in Missouri warrant a properly conducted fiscal analysis. As a part of the debate, policymakers must consider how increased abortions will affect Missouri's population, workforce, fundamental services such as healthcare, the states tax revenues and expenditures, and Missouri's ability to make good on its unfunded pension and other post-employment benefit obligations.

Respectfully,

Rachel U. Greszler
Senior Research Fellow in Economics, Budgets, and Entitlements
The Heritage Foundation
214 Massachusetts Ave, NE
Washington, DC 20002
Email: rachel.greszler@heritage.org

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The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri and the University of Missouri.**

Fiscal Note Summary

State governmental entities estimate no costs or savings, but unknown impact. Local governmental entities estimate costs of at least \$51,000 annually in reduced tax revenues. Opponents estimate a potentially significant loss to state revenue.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

MAR 09 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Anna Fitz-James regarding a proposed constitutional amendment to Article I, version 8 (2024-084)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Anna Fitz-James on March 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
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8.					
9.					
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Ashcroft
Missouri Secretary of State

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

My Commission Expires:____
(Seal)

NOTICE: The proposed amendment revises Article I of the Constitution by adopting one new Section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article I of the Constitution is revised by adopting one new Section to be known as Article I, Section 36 to read as follows:

Section 36. 1. This Section shall be known as “The Right to Reproductive Freedom Initiative.”

2. The Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom, which is the right to make and carry out decisions about all matters relating to reproductive health care, including but not limited to prenatal care, childbirth, postpartum care, birth control, abortion care, miscarriage care, and respectful birthing conditions.

3. The right to reproductive freedom shall not be denied, interfered with, delayed, or otherwise restricted unless the Government demonstrates that such action is justified by a compelling governmental interest achieved by the least restrictive means. Any denial, interference, delay, or restriction of the right to reproductive freedom shall be presumed invalid. For purposes of this Section, a governmental interest is compelling only if it is for the limited purpose and has the limited effect of improving or maintaining the health of a person seeking care, is consistent with widely accepted clinical standards of practice and evidence-based medicine, and does not infringe on that person’s autonomous decision-making.

4. Notwithstanding subsection 3 of this Section, the general assembly may enact laws that regulate the provision of abortion after 24 weeks of gestation, as measured from the first day of the patient’s last menstrual period consistent with accepted clinical standards, provided that under no circumstance shall the Government deny, interfere with, delay, or otherwise restrict an abortion that, in the good faith judgment of a treating health care professional, is needed to protect the life or physical or mental health of the pregnant person or is of a nonviable pregnancy.

5. No person shall be penalized, prosecuted, or otherwise subjected to adverse action based on their actual, potential, perceived, or alleged pregnancy outcomes, including but not limited to miscarriage, stillbirth, or abortion. Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.

6. The Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.

7. Nothing in this Section requires government funding of abortion procedures.

8. If any provision of this Section or the application thereof to anyone or to any circumstance is held invalid, the remainder of those provisions and the application of such provisions to others or other circumstances shall not be affected thereby.

9. For purposes of this Section, the term “Government” means:

(1) the state of Missouri; or

(2) any municipality, city, town, village, township, district, authority, public subdivision or public corporation having the power to tax or regulate, or any portion of two or more such entities within the state of Missouri.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-084)**

Subject

Initiative petition from Anna Fitz-James regarding a proposed constitutional amendment to Article I. (Received March 9, 2023)

Date

March 29, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Susan Klein, Executive Director, Missouri Right to Life provided information to the State Auditor's office.

Samuel H. Lee, Campaign Life Missouri provided information to the State Auditor's office.

David C. Drury, Attorney at Law provided information to the State Auditor's office.

Rachel U. Greszler, Senior Research Fellow in Economics, Budgets and Entitlements, The Heritage Foundation provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-084 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated changes to the bill are as follows:

Initiative petition 24-084 is identical to 24-077 with the following exceptions:

Adds new Section 36.4, which states "Notwithstanding subsection 3 of this Section, the general assembly may enact laws that regulate the provision of abortion after 24 weeks of gestation, as measured from the first day of the patient's last menstrual period consistent with accepted clinical standards, provided that under no circumstance shall the Government deny, interfere with, delay, or otherwise restrict an abortion that, in the good faith judgement of a treating health care professional, is needed to protect the life or physical or mental health of the pregnant person or is of a nonviable pregnancy."

Removes "other than as required by federal law" from Section 36.7 (Section 36.6 in 24-077).

Comments:

The fiscal impact for 24-084 is the same as the fiscal impact for 24-077 and is as follows:

- FY 2024 General Revenue: (\$0 to Unknown)
- FY 2025 General Revenue: (\$0 to Unknown)
- FY 2026 General Revenue: (\$0 to Unknown)

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article I.

Officials from the **Department of Revenue** indicated the initiative petition does not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to reproductive issues does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-084 has no anticipated fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to reproductive issues does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office is anticipated.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated in reviewing initiative petition 24-084 it has been determined there will be an increased cost to the County of Greene due to loss of tax revenue if voters vote to amend Article I.

The Missouri Department of Health & Senior Services recorded 135 "resident abortions" for Greene County in 2020 and 118 in 2021. The population of Greene County per the 2020 United States census was 298,915. (<https://www.census.gov/quickfacts/fact/table/greene-county-missouri/PST045221>)

In terms of economic impact, Greene County received \$112,673,249 in sales and property taxes for calendar year 2022 (**\$376.94** per capita based on **2020** census data). Accordingly, calculations from these figures indicate an annual loss in population of **135** represents a cost to the County of **\$50,886.90**; an increase in abortion statistics could reasonably be extrapolated to illustrate less tax collections and revenues over the years of potential working lifetimes.

Please see the attached table demonstrating the anticipated yearly on per capita basis and the overall fiscal impact on Greene County tax collections and revenues based on the recorded abortions in 2020 by Missouri Department of Health and Senior Services.

Additional research regarding the broader fiscal impact of lower fertility rates on local and state communities and government budgets may be found here:

- <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/12/the-long-term-decline-in-fertility-and-what-it-means-for-state-budgets>

Greene County Collections in 2022	
2020 Population	298,915
Total Sales Tax Collected	126,986,094.91
Parks I	(8,226,052.01)
Parks II	(8,773,337.47)
Dan Kinney Bond from Parks I	(551,342.50)
LEST	(11,631,863.21)
Strafford TIF	(24,374.44)
Springfield Plaza TIF	(174,240.83)
Sales Tax Subtotal	97,604,884.45
Real Estate Tax	12,222,341.99
Personal Property Tax	2,846,022.58
Property Tax SubTotal	15,068,364.57
Total Taxes	112,673,249.02
Per Capita	376.94
Annual lost population	135
Annual Cost	50,886.90

Officials from **St. Louis County** indicated this has no fiscal impact on their county.

Officials from the **City of Jefferson City** indicated they do not think there would be a direct fiscal impact to the City of Jefferson imposed by Initiative Petition 24-084 proposing to amend Article I. There could be an indirect fiscal impact resulting from increased lawsuits related to violations of the act.

Officials from the **City of Kansas City** indicated this proposed amendment would have has no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and believe the initiative would have no direct cost or revenue impact.

Susan Klein, Executive Director, Missouri Right to Life provided the following information:



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March 15, 2023

Office of the Missouri State Auditor
The Honorable Scott Fitzpatrick
301 West High Street, Room 880
Jefferson City, MO 65102

Dear Auditor Fitzpatrick,

On behalf of the Members, Board and Staff of Missouri Right to Life, I submit to you our comments for consideration and inclusion in the fiscal note you will be preparing regarding the effects to the State of Missouri and its Local Governments of Initiative Petition(s) 2024-077 through 2024-087.

The Petitions Would Create Devastating Impacts for Missouri's Budget:

On March 8, 2023, 11 proposed initiative petitions (2024-077 through 2024-087) were filed with the Missouri Secretary of State's Office by Anna Fitz-James for a campaign committee called "Missourians for Constitutional Freedom." While each initiative petition has some slight variations, they are all identical in their purpose and their fiscal effects to General Revenue, Federal Funds, and Other Funds received by the State of Missouri and the impact to local governments.

The fiscal effects of some of the impacts of the petition(s) follow:

- **Abortion Injuries, Sanctions, Litigation and Loss of Federal Funding:** The petition will allow for abortions to be performed up until the moment of birth and possibly beyond. In addition to the loss of the life of the unborn child and the ending of his or her priceless contributions to our state and society, surgical and chemical abortions have risks and complications to the health of the mother. The cost impacts of surgical and medical abortion physical injuries would result in a devastating impact to Missouri's balanced budget due to an expansion of costs for Missouri's state and Federally-funded healthcare programs. In addition, women endure emotional trauma after an abortion. A massive increase in funding for mental health services would be required. Under current Federal law, states are barred from using Federal funds to pay for abortions except in limited cases (the Hyde Amendment). Federal funding could be in jeopardy and Missouri could be subject to the risk of litigation and sanctions, including the possibility of deferral or disallowance of federal financial participation in Missouri's Medicaid program. In 2019, more than \$7.2 billion in Federal funds were budgeted for Mo HealthNet services (Department of Social Services, Department of Mental Health, and Department of Health and Senior Services). The loss of these funds would be devastating to Missouri.

- **Loss of Licensing Fee Revenues/Penalties:** The petition will allow for anyone to perform an abortion with no penalty, prosecution or adverse action for performing the abortion. An abortion provider would no longer have a reason to maintain his or her license with the State of Missouri (and anyone who chose to perform an abortion would be protected under the Constitution to do so without any regulations or consequences). Missouri laws and regulations would be nullified, and licensing fees normally collected would decline.
- **Rural Hospitals Impacted:** Rural hospitals are already struggling. The petition will allow anyone to perform an abortion with no penalty, prosecution or regulation, and will result in a skyrocketing number of women injured by abortion who will need emergency services, flooding Emergency Rooms and health clinics and limiting or delaying access to emergency healthcare services needed by other individuals. This will result in a fiscal impact to the state. The state will also experience a fiscal impact through staff shortages as abortion-injured state employees seek medical care, surgery and recovery time off work to manage complications of abortion.
- **Missouri Could Face a Budgetary Crisis Due to Loss of Federal Funding from Violating Federal Conscience Laws:** The petition will force Missouri to be out of compliance with Federal conscience laws. This could result in the loss of billions of dollars of Federal funding, litigation and sanctions. If the Federal Government sanctions Missouri due to these violations, this will be devastating and create a budgetary crisis in Missouri. The state will also experience a fiscal impact through staff shortages as state employees flee state jobs where they feel their conscience is violated due to being forced to assist with an abortion.
- **Abortions Funded With Public Tax Dollars:** The petition will allow for the funding of abortions with public tax dollars. The language does not prohibit government funding of abortion procedures or of abortion providers. This would result in a massive fiscal impact to Missouri's balanced budget.
- **Constitutional Protections for Human Traffickers:** The petition will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion. This would result in Constitutional protections for child sex traffickers who impregnate their victims and coerce them into an abortion and would render ineffective Missouri law enforcement, prosecution and justice efforts tasked with upholding our Constitution and laws. The petition could hamper the Federal Government's efforts under The Trafficking Victims Protection Act of 2000 and other Federal laws and could result in sanctions from any Federal funding that Missouri would otherwise be eligible to receive.
- **Sex Changes, et. al, Funded With Public Tax Dollars:** The petition, under the guise of "The Right to Reproductive Freedom," will allow the funding of sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars. This would result in a massive fiscal impact to Missouri's balanced budget.

In summary, any fiscal note of the petition(s) should contain the following language and should also include the estimated fiscal net effects to the State of Missouri and its local government:

This initiative petition (a) will allow for abortions to be performed up until the moment of birth and possibly beyond, which would put Missouri in jeopardy of losing billions of dollars of Federal funding and create an unplanned strain on the state's General Revenue, Other and Local Funds as a result of abortion injuries, sanctions, litigation, loss of licensing fee/penalty revenues, and overloaded emergency rooms and healthcare facilities, (b) will put Missouri in violation of Federal conscience laws, which could result in a loss of billions of dollars of Federal funding and an increase of state and local government employee vacancies and litigation due to exercising their rights of conscience, (c) will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion, thereby creating Constitutional protections for Human Traffickers which could result in a loss of Federal funding, and (d) will allow for the funding of abortions, sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars which would result in a massive fiscal impact to the State of Missouri and its local government budgets.

Sincerely,

A handwritten signature in cursive script that reads "Susan Klein". The signature is written in dark ink and is positioned above the printed name and title.

Susan Klein
Executive Director
Missouri Right to Life

Samuel H. Lee, Campaign Life Missouri provided the following information:



Samuel Lee
Director

March 16, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

In accordance with the provisions of [section 116.175](#), this is a proposed statement of the fiscal impact of the 11 initiative petitions numbered 24-077 through 24-087, which your office received on March 9, 2023.

To summarize, the proposed ballot measures – all of which would amend the Missouri Constitution – could result in:

- A decrease in federal Medicaid revenues by an unknown amount, up to \$12.5 billion annually.
- Increased costs to taxpayers of unknown amounts, because of medical treatment of, or other services for, children or adults injured by abortions, sex-change operations, genital mutilation or other unspecified “reproductive health care” performed by unlicensed or untrained persons.
- Increased costs of an unknown amount to the Department of Health and Senior Services for the inspection and licensing of thousands of abortion facilities.
- Loss of revenue of unknown amounts to the state and its political subdivisions, because of boycotts of businesses, shopping, tourism or other revenue-generating activities, as a result of Missouri becoming the Midwest’s “abortion destination” state.
- Long-term loss of revenues of unknown amounts to the state and its political subdivisions, because of a decrease in the workforce due to the number of children who are aborted before birth. Also, because of individuals who can no longer work after they become disabled as a result of unsafe abortions, sex-change operations, genital mutilation or other unspecified, unsafe “reproductive health care.” But more important than fiscal costs, the human cost to Missouri’s citizens is unimaginable.

Former-Auditor Galloway made a comparable analysis of the fiscal impacts when she issued her fiscal note and fiscal note summary on [HB 126 \(20-R001 on June 19, 2019\)](#) – the subject of a

referendum that year. Her fiscal note summary became part of the [official ballot title certified by Secretary of State on August 14, 2019](#), for the referendum on HB 126.

Supporting Information on Fiscal Impact of the 11 Initiative Petitions:

- The loss of federal Medicaid matching dollars, which in the proposed fiscal year 2024 budget **would be a loss of nearly \$12.5 billion**.
 - In FY 2023, Missouri lawmakers appropriated about \$16.9 billion for Medicaid (MO HealthNet) across state agencies. [The majority of Medicaid financing in 2023 – \\$10.6 billion – came from federal matching funds](#). The governor’s proposed budget for MO HealthNet for FY 2024 is nearly \$19.3 billion – [almost \\$12.5 billion which would come from federal funds](#).
 - The loss of federal Medicaid matching funds could occur if Missouri is out of compliance with federal Medicaid requirements, for example:
 - If the state cuts off Medicaid reimbursements to Catholic hospitals. This could be a result of the requirement in the initiative petitions that the “Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom.” This might include the state requiring Medicaid providers to sterilize patients, dispense puberty blockers or remove sex organs during sex-change operations.
 - This might also include the state requiring hospitals to participate in the horrendous practice of genital mutilation, currently prohibited by state law under [section 568.065](#), and for which no defense is allowed for “a matter of custom, ritual or standard practice, or [by] consent to the conduct by the child.”
 - But because of the broad-based definition of “reproductive health care” in the 11 initiative petitions (“including but not limited to”), state courts could easily find that genital mutilation is constitutionally protected activity, and strike down existing law.
 - However, for the state government to require Catholic health care providers (or others) to provide these procedures, it would be a violation of their conscience rights – for which the federal government could withhold from the state, Medicaid matching dollars.
 - For example, in California in 2020, [HHS disallowed \\$200 million in federal Medicaid matching funds per quarter due to the state’s unlawful abortion insurance mandate](#), which forced a Catholic order of religious sisters and a non-profit Christian Church to provide abortion health insurance coverage. See also:
 - [“The Fight Over California’s Abortion Coverage Mandate,” Regulatory Review](#), February 3, 2021 (“Can a state require that all health plans offered to its residents cover elective abortions? The federal government thinks not, and the state of California is poised to lose at least \$200 million in Medicaid dollars because it insists that health plans in its state cover abortion services.”)

- [“Federal agency says UVM Med Center forced nurse to assist in abortion,” VT Digger](#), August 28, 2019 (“The U.S. Department of Health and Human Services has accused the University of Vermont Medical Center of forcing a nurse to assist in an abortion procedure despite the nurse’s religious objections. ... The [letter from Roger Severino](#), the director of HHS’ Office for Civil Rights, asks the hospital to adjust its policies or face losing the federal funding it receives from HHS.”)
- There might be additional circumstances where state compliance with at least some of the proposed constitutional amendments would force the state to be out of compliance with federal Medicaid law, such as the state paying for abortions (or other procedures) with federal funds that are not permitted to be reimbursed under federal law. For example, the state might be compelled by the terms of some of the initiative petitions to pay for all abortions for all Medicaid-eligible females, because failing to do so might “discriminate against persons” if the state is paying for the labor and delivery of children for all Medicaid-eligible females. In other words, under the state constitution, Missouri might no longer be [“permitted to enact persuasive measures which favor childbirth over abortion”](#) (*Planned Parenthood v. Casey*, 505 U.S. 833, 886 (1992)). Such non-compliance with federal Medicaid law might also apply to other broad-based, undefined “reproductive health care,” which the state might also be compelled to pay for.
- Under the initiative petitions, the “Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.” “Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, ANY person of ANY age could legally provide, or assist another person in obtaining, an abortion, a sex-change operation, genital mutilation or other unspecified “reproductive health care.” **This could result in numerous, life-altering medical complications to the child or adult who underwent the “reproductive health care.”** Especially with abortion – particularly for abortions performed later in pregnancy – this could result in huge medical costs for her and her child **that are ultimately paid for by taxpayers.**
 - Regarding abortion, in Missouri, the [cost of inpatient medical procedures and emergency department services for treating “issues before childbirth with complications”](#) is a **median charge per person of \$11,977** – with a minimum charges of \$4,140 and a **maximum charge of \$35,345.**
 - And the cost could be even higher for an abortion-related ER visit. [One recent study](#) found that a “[p]atient concealment and/or physician failure to identify a prior abortion during an ER visit is a significant risk factor for a subsequent hospital admission.” In fact, “[c]hemical abortion patients whose abortions are misclassified

- as miscarriages during an ER visit subsequently experience on average 3.2 hospital admissions within 30 days. 86% of the patients ultimately have surgical removal of retained products of conception (RPOC).”
- According to the CDC, in 2020, nearly 10,000 Missouri residents obtained abortions ([9,980 total, but only 167 within the state](#)). Having unlicensed, non-medical personnel permitted to perform or induce abortions within the state on even a fraction of these 10,000 girls or women could result in untold harm to them now – and harm to their future health and fertility.
 - And there might be additional costs to the state or political subdivisions beyond treating the complications to girls or women from being provided abortions by non-physicians or even non-medical personnel. Any low-birthweight infant born alive after a late-term abortion could need long-term NICU care and possibly permanent assistance throughout childhood and during his or her adult life.
 - According to a [2020 New York Times story](#): “The March of Dimes estimates that the average societal cost of each preterm birth, which includes medical care, early intervention services and lost productivity, is \$65,000.”
 - That same story reported on a cost of \$4 million in NICU costs for triplets who were born prematurely.
 - [Preterm birth lifetime costs in the United States](#) (as of 2016) were “estimated to be \$25.2 billion: \$17.1 billion for medical care of persons born preterm, \$2.0 billion for delivery care, \$1.3 billion for early intervention and special education, and \$4.8 billion in lost productivity due to associated disabilities in adults.”
- **Other costs could be the licensing and inspection of multiple locations (potentially thousands of sites) as “abortion facilities,” as required under Missouri law.** This is because [section 197.205](#) requires that no person or governmental unit shall establish, conduct or maintain an abortion facility in the state without a license issued by the Missouri Department of Health and Senior Services (DHSS).
 - [Section 188.015](#) defines an “abortion facility” as “a clinic, physician’s office, or any other place or facility in which abortions are performed or induced other than a hospital”.
 - [Section 197.230](#) states that “[i]n the case of any abortion facility, the department [of health and senior services (DHSS)] shall make or cause to be made an unannounced on-site inspection and investigation at least annually.” Such on-site inspections and investigations must include a variety of areas relating to staffing and equipment to respond to medical emergencies, compliance with Missouri’s abortion laws and the requirement that continuous physician services or registered professional nursing services are to be provided whenever a patient is in the facility.
 - There are [more than 7,000 licensed pharmacists in Missouri](#), and under the proposed constitutional amendment, any pharmacy (or other place) where a pharmacist provides abortion pills, DHSS would be required to inspect and license. **This would**

be an enormous cost to the department and to taxpayers. And any other place where abortion pills would be provided (homes, schools, vending machines, doctor's offices, clinics, etc.) would also have to be inspected at least once a year and licensed.

- **Economic boycotts of Missouri and its businesses could result if the “Show-Me” state becomes the “Abort-Me” state, once it is transformed into the Midwest’s “abortion destination” – a distinct possibility since Missouri is “within a day’s reach of half of U.S. households”.**
 - Just as some pro-abortion advocates in other states are promoting boycotts of states like Missouri that currently protect unborn children from abortion, pro-life advocates in other states might boycott by no longer purchasing from Missouri businesses, or engaging in travel, tourism or shopping in Missouri. How tragic that would be for Missouri, which has been described as one of the top pro-life states in the country.
 - Some “red” states have been prohibiting or attempting to prohibit their governmental entities from doing business with financial firms in other states that take environmental, social and corporate governance (ESG) into consideration, and those same states and additional ones might extend that to any “abortion destination” state – which is what Missouri could become if any one of the 11 initiative petitions is enacted into law.
 - “Missouri tourism provides a \$13.5 billion economic impact that creates more than 257,000 jobs in the state,” according to the Missouri Division of Tourism. It could be a devastating loss to the state and its residents if Missouri became the abortion capital of the Midwest.
- By some estimates, the economic cost to the U.S. of abortion in 2019 – due to the loss of nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of GDP. **Missouri could experience increased economic loss if the number of abortions increases in the state.** And unsafe, legal abortions in the state could result in the disability of countless women who – perhaps permanently – would be unable to enter or remain in the workforce.
 - According to a June 15, 2022 report of the Joint Economic Committee – Congressional Republicans’ The Economic Cost of Abortion – the economic cost of an abortion due to the loss of unborn lives is 425 times larger than the earnings loss mothers could be expected to incur when having a child.”
 - According to a key finding in the report: “In the long run, abortion shrinks the labor force, stunts innovation, and limits economic growth. It also weakens the solvency of social insurance programs like Social Security and Medicare that rely on workers to support a growing elderly population.”
 - And as the International Planned Parenthood Federation has noted: “**Unsafe abortions** are performed by un- or under-trained providers ... It is possible to have an unsafe, legal abortion.” (underlining added)

- Under the initiative petitions, “any person assisting a person in exercising their right to reproductive freedom” shall not “be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, unlicensed, untrained persons of ANY age could perform unsafe, legal abortions or other “reproductive health care,” and the “Government shall not discriminate against persons ... in doing so.” While the economic cost of this policy is incalculable, more important and horrifying, the human cost to Missouri’s citizens is unimaginable.

Auditor Fitzpatrick, if we can be of further assistance, please do not hesitate to contact us.

Sam

Samuel H. Lee
Campaign Life Missouri
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David C. Drury, Attorney at Law provided the following information:

Dear Auditor Fitzpatrick:

I am a licensed attorney in the St. Louis Metropolitan area who has practiced law here for the last fifty years.

Eleven similar proposals to destroy major Missouri laws which have existed for decades are being suggested by petition numbers 2024-077 to 2024-087.

As you are aware, section 116.175 et al requires that a fiscal note and fiscal note summary state a measure's estimated cost or savings to any state or local governmental entity. In general, a strong fiscal outlook is an essential foundation for a growing, thriving economy. The gap between income and spending is subsequently closed by government borrowing, something to ideally be avoided. Moreover, voters, especially in this conservative state, should be informed and educated of the costs of measures so radical they reverse and erase in one fell swoop the studied product of elected representatives. Indeed, the cost of a proposal may be the reason a voter decides against it.

As commented, the above proposals, although different in some respects, all contain much identical language. For example, the Preamble and first three numbered paragraphs (except 077 uses the word "entails" in line 2 or paragraph 2) are the same. All contain a "discrimination" paragraph, a "severability clause, and the definitions of "Government" are copied throughout. Other deletions or additions to the submissions do not detract from the fact that multiple unfavorable fiscal consequences will result if passage of any happens. So, I feel it is fair to say that these comments relate to each and every variation, rather than to repeat the same points one by one, over and over.

Another observation about which no one can reasonably disagree is that these are extremely broad, and being so broad are vague and ambiguous. Applications can be to an expansive variety of situations, all at costs to the state and local governmental agencies. This is especially the case in light of the present political structure of the federal government, and of course many federal monies flow to the State of Missouri. Another way of saying this, although a somewhat different point, is the potential, actually a likelihood, that direction of funding can be "weaponized", so state laws conform to federal ones. Thus, the state of Missouri is "fiscally" affected. The federal government and the states do not exist as if there is a wall in between. Money flows back and forth, and thus a state can easily be targeted and penalized by federal legislative and executive actions.

Most recently as this week President Biden proclaimed that it was "cruel" and "close to sinful" for Florida to ban subjecting children to sex-change procedures. (Not to subject the children, but to ban subjecting the children)! The aforesaid ballot proposals insist that the "right to reproductive freedom" shall not be denied, interfered with, delayed, or otherwise restricted, and governmental action should be deemed invalid. The ballot also uses language in paragraph 2 of all versions the clause "not limited to". It would thus appear that the subject of sex-change procedures, is included. Similarly, some of the

suggested versions require no parental or guardian consent whatsoever, and others only superficially address the subject with a sure-fire exception that a health care professional (not even a treating physician) can approve an abortion without consent if he/she thinks that getting consent may lead to emotional harm to the minor. All of the proposals do not even require that a physician is necessary to provide medical care. In fact you don't even need any license. Medical malpractice will automatically result. The harm to patients for this poor care, and the cost to the State for care of these patients will be an adverse fiscal result.

All of the above circumstances, would lead responsible hospitals and medical care providers to practice their profession with higher and different standards. And so they would refuse to abide by the above random, and harmful, provisions. Next, we come to the subject of "who is going to pay the bill"? Medicaid, as we know, pays an enormous amount of medical charges. Hospitals and doctors get reimbursed by the State, but the State must comply with federal law. If a State fails to follow the law, for the federal portion, which is over half, it may not get reimbursed. The State suffers fiscally. My numbers are that the State of Missouri receives 12.5 billion in federal Medicaid money.

What if, for example, Cardinal Glennon Hospital in St. Louis refused to perform sex change surgery on a minor, with or without parental consent, in its hospital? It is against its religious beliefs, among many other reasons. Can the hospital be denied Medicaid funds? The text of the proposals require such. The President has just declared that refusing to perform this is "cruel". If the State foots the bill and does not get reimbursed from the federal government, this is a fiscal loss.

Is medical insurance required to pay for "reproductive health care"? If so, these are expensive fiscal consequences of the proposals.

The proposals also yield enormous costs to the State in situations where persons or institutions refuse care against their medical "standard of care" but do not even require a license (creating a breeding ground for malpractice, and all of the expenses that come with it). With Medicaid, the state pays part of the bill, but may not get reimbursed the rest if the proposed bill is not followed. What about the "religious beliefs" of medical care providers. If, for example, Catholic hospitals are penalized, the State of Missouri could also be "fiscally" penalized.

What about the issue of prescribing pills to induce abortion---chemical abortion? Do these proposals mean that all care providers must not deny, restrict, or delay this form of abortion? Is the "government" discriminating against patients by not requiring care providers including pharmacists to dispense the pills? Can they be penalized by withholding of Medicaid payments?

The issue of federal Medicaid funds being disallowed has come up before. In December 2020 HHS and OCR announced that \$200 million in federal Medicaid funds going to California in the upcoming quarter were being denied. This was due to the state illegally mandating that all health care plans subject to regulation by the California Department

of Managed Health Care cover abortion without exclusion or limitation. Furthermore, if California did not come into compliance, additional disallowances would be imposed at a rate of \$200 million per quarter. In a Vermont case, receipt of federal funds because of discrimination against an employee who refused to participate in abortions was threatened. I mention this because of the potential fiscal effect on the State of Missouri if one of these proposals was passed.

So as not to overlook the obvious, the proposals if passed would surely make abortions easier in this state, depriving the state of countless future taxpaying citizens. These persons, if allowed to live, would work, create and staff businesses, produce products, and in general contribute to the economy. A growing population encourages others to move here which in turn results in additional fiscal activity. And, although much of the above addresses Medicaid costs, since fewer workers will be around to contribute to the Medicare system, this system will be under fiscal stress also.

These are only some of the immediate, short-term, and permanent unfortunate fiscal consequences to State and local government if any of the proposals pass.

Thank you for considering this information.

David C. Drury

Attorney at Law

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**Rachel U. Greszler, Senior Research Fellow in Economics, Budgets, and Entitlements,
The Heritage Foundation** provided the following information:

Date: March 17, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

Per Missouri's [fiscal impact](#) provisions, I have prepared the below fiscal note comments on the proposed ballot initiative "A Constitutional Amendment Concerning the Regulation of Abortion" as submitted to your office on March 9, 2023 as initiative petitions 24-077 through 24-087. My comments are my own and should not be construed as representing any official position of the Heritage Foundation.

Missouri is considering laws that would make abortion legal and easily accessible. The State should not take that step, simply because it would result in the death of thousands of innocent human beings. I offer this fiscal note to provide additional reasons that might persuade those who wrongly doubt that unborn human babies are persons.

By significantly reducing the number of births in the state, these laws would reduce the state's population growth and generate short- and long-term impacts on the state's output and its government finances. Abortion laws could also impact individuals' and families' personal finances, health, and wellbeing in ways that affect states revenues and expenses.

Population growth and economic growth go hand in hand so long as the necessary resources and infrastructure are in place to support that growth. Those resources and infrastructure are in place and the U.S. faces an unprecedented labor shortage. Recent declines in fertility rates threaten to reduce population growth and current and future economic growth. Moreover, government debt has created a situation in which the future wellbeing of current residents is dependent upon a growing population and workforce to pay for current debts and for unfunded obligations promised to retirees.

Since 2007, the [total fertility rate](#) in the U.S. declined from 2.11 births per woman (right at replacement rate) to just 1.66 births per woman in 2021. Missouri's total fertility rate declined from 2.08 in 2007 to 1.60 in 2021.

Compared to current law (in which abortion is illegal in Missouri except in instances in which the woman's life is in danger or her health is severely compromised), the proposed laws could

lead to an additional [2,000 to 9,000 abortions per year](#) in Missouri, depending on how expansive abortion access would become.¹ Based on population projections from the Census Bureau, and assuming a one-for-one correlation between increased abortions and reduced population, the proposed abortion laws could reduce Missouri's projected population by 0.3 percent to 1.4 percent over the next 10 years and by 0.6 percent to 2.7 percent over the next 20 years.

The state needs to consider the following potential effects of abortion-induced population decline in its impact analysis:

A reduced labor force. Fewer births and a smaller population means a smaller future labor force. While proponents of abortion make the economic case that abortion enables women to work and earn more, the additional measurable work and earnings of women as a result of having an abortion is miniscule compared to the potential lifetime work and earnings of another human being. Moreover, while having a child can reduce mothers' work and earnings, it tends to increase fathers' work and earnings—a factor that is ignored in abortion advocates economic claims.

Healthcare strain. Already, the U.S. faces [serious shortages](#) of healthcare workers and the population is continuing to age. Young people (those who would be aborted over the coming decades as a result of the proposed laws) consume very little healthcare, and as they reach working age, they are net providers of healthcare. This means the proposed laws could exacerbate healthcare worker shortages, limit Missourians' [access to healthcare](#), and potentially drive up the state's [healthcare costs](#) as shortages lead to higher prices. With Medicaid being Missouri's largest budgetary item (in FY 2022, Missouri's Medicaid spending was 74 percent greater than its K-12 education spending), and the state being limited by the federal government in its ability to reduce Medicaid spending, higher healthcare costs could impose significant budget constraints.

Reduced tax revenues. In the immediate future, fewer children born in Missouri could reduce sales and real estate tax revenues because households with children spend more and tend to live in higher-value housing. While the income tax revenues of women who have children could be lower if they work less after having children, the work and [earnings of men](#) tend to rise after they have children. In the decades following increased abortions, the absence of potentially tens of thousands of workers would lead to reduced income tax revenues. Although some state expenses are proportional to the number of residents and would decline over time, many expenses are not, and declining revenues would necessitate higher taxes or spending cuts.

Exacerbated unfunded pensions and other post-employment benefits. Depending on different assumptions and risk levels, Missouri has between [\\$36 billion](#) and [\\$171 billion](#) in unfunded pension and [other post-employment benefits](#). That is money that has already been promised to public sector workers and retirees, but which has not been set aside to provide those benefits. The American Legislative Exchange Council estimates that Missouri's unfunded pension liabilities alone amount to [\\$26,965 per capita](#) in 2021, and these unfunded liabilities are

¹ Estimated increase based on the number of abortions in Missouri, as reported by the [Missouri Department of Health and Senior Services](#) and the [Guttmacher Institute](#), reporting roughly 9,000 abortions around 2000-2001 and about 2,000 abortions around 2020-2021.

continuing to grow. The fewer people Missouri has, the larger the per-capita liabilities become, and the harder it will be to raise taxes on workers and employers without them moving to other states. Among many consequences, [economic analysis](#) shows that unfunded pension obligations lead to lower real estate values, which would reduce property tax revenues.

Conclusion

It is an unquestionable fact that the U.S. Constitution requires all state and local governments to uphold Americans' most fundamental natural rights, including that of the right to life. Not counting unborn humans as living beings and treating abortion as an exercise in economic eugenics is an assault on these rights and values.

Even then, the fiscal and economic perspectives of abortion advocates are lacking sufficient economic rigor. I offer this fiscal analysis that provides good reasons to reject the proposed amendments on premises that abortion advocates may be able to accept.

The proposed laws to legalize and expand abortion access in Missouri warrant a properly conducted fiscal analysis. As a part of the debate, policymakers must consider how increased abortions will affect Missouri's population, workforce, fundamental services such as healthcare, the states tax revenues and expenditures, and Missouri's ability to make good on its unfunded pension and other post-employment benefit obligations.

Respectfully,

Rachel U. Greszler
Senior Research Fellow in Economics, Budgets, and Entitlements
The Heritage Foundation
214 Massachusetts Ave, NE
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The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri and the University of Missouri.**

Fiscal Note Summary

State governmental entities estimate no costs or savings, but unknown impact. Local governmental entities estimate costs of at least \$51,000 annually in reduced tax revenues. Opponents estimate a potentially significant loss to state revenue.



JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

RECEIVED

MAR 09 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Anna Fitz-James regarding a proposed constitutional amendment to Article I, version 7 (2024-083)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Anna Fitz-James on March 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

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Ashcroft

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

My Commission Expires:____
(Seal)

NOTICE: The proposed amendment revises Article I of the Constitution by adopting one new Section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article I of the Constitution is revised by adopting one new Section to be known as Article I, Section 36 to read as follows:

Section 36. 1. This Section shall be known as “The Right to Reproductive Freedom Initiative.”

2. The Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom, which is the right to make and carry out decisions about all matters relating to reproductive health care, including but not limited to prenatal care, childbirth, postpartum care, birth control, abortion care, miscarriage care, and respectful birthing conditions.

3. The right to reproductive freedom shall not be denied, interfered with, delayed, or otherwise restricted unless the Government demonstrates that such action is justified by a compelling governmental interest achieved by the least restrictive means. Any denial, interference, delay, or restriction of the right to reproductive freedom shall be presumed invalid. For purposes of this Section, a governmental interest is compelling only if it is for the limited purpose and has the limited effect of improving or maintaining the health of a person seeking care, is consistent with widely accepted clinical standards of practice and evidence-based medicine, and does not infringe on that person’s autonomous decision-making.

4. Notwithstanding subsection 3 of this Section, the general assembly may enact laws that regulate the provision of abortion after Fetal Viability provided that under no circumstance shall the Government deny, burden, or otherwise restrict an abortion that in the good faith judgment of a treating health care professional is needed to protect the life or physical or mental health of the pregnant person.

5. No person shall be penalized, prosecuted, or otherwise subjected to adverse action based on their actual, potential, perceived, or alleged pregnancy outcomes, including but not limited to miscarriage, stillbirth, or abortion. Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.

6. Notwithstanding this Section, the general assembly may enact laws that require a health care professional, before providing an abortion to a minor, obtain consent from a parent or guardian of the minor, provided that such law shall permit the health care professional to provide the abortion without such consent if, in the good faith judgment of a health care professional:

(1) obtaining consent may lead to physical or emotional harm to the minor;

(2) the minor is mature and capable of consenting to an abortion; or

(3) obtaining consent would not be in the best interest of the minor.

7. The Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.

8. If any provision of this Section or the application thereof to anyone or to any circumstance is held invalid, the remainder of those provisions and the application of such provisions to others or other circumstances shall not be affected thereby.

9. For purposes of this Section, the following terms mean:

(1) “Fetal Viability”, the point in pregnancy when, in the good faith judgment of a treating health care professional and based on the particular facts of the case, there is a significant likelihood of the fetus’s sustained survival outside the uterus without the application of extraordinary medical measures.

(2) “Government”,

a. the state of Missouri; or

b. any municipality, city, town, village, township, district, authority, public subdivision or public corporation having the power to tax or regulate, or any portion of two or more such entities within the state of Missouri.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-083)**

Subject

Initiative petition from Anna Fitz-James regarding a proposed constitutional amendment to Article I. (Received March 9, 2023)

Date

March 29, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Susan Klein, Executive Director, Missouri Right to Life provided information to the State Auditor's office.

Samuel H. Lee, Campaign Life Missouri provided information to the State Auditor's office.

David C. Drury, Attorney at Law provided information to the State Auditor's office.

Rachel U. Greszler, Senior Research Fellow in Economics, Budgets and Entitlements, The Heritage Foundation provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-083 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated changes to the bill are as follows:

Initiative petition 24-083 is identical to 24-077 with the following exceptions:

Adds new Section 36.4, which states "Notwithstanding subsection 3 of this Section, the general assembly may enact laws that regulate the provision of abortion after Fetal Viability provided that under no circumstance shall the Government deny, burden, or otherwise restrict an abortion that in the good faith judgement of a treating health care professional is needed to protect the life or physical or mental health of the pregnant person.:

Adds new Section 36.6, which states "Notwithstanding this Section, the general assembly may enact laws that require a health care professional, before providing an abortion to a minor, obtain consent from a parent or guardian of the minor, provided that such law shall permit the health care professional to provide the abortion without consent if, in the good

faith judgement of a health care professional: (1) obtaining consent may lead to physical or emotional harm to the minor, (2) the minor is mature and capable of consenting to an abortion; or (3) obtaining consent would not be in the best interest of the minor."

Removes Section 36.6, which states "Nothing in this Section requires government funding of abortion procedures other than as required by federal law."

Adds definition for Fetal Viability in Section 36.9(1), "Fetal Viability,' the point in pregnancy when, in the good faith judgement of a treating health care professional and based on the particular facts of the case, there is a significant likelihood of the fetus's sustained survival outside the uterus without the application of extraordinary medical measures."

Comments:

The fiscal impact for 24-083 is the same as the fiscal impact for 24-077 and is as follows:

- FY 2024 General Revenue: (\$0 to Unknown)
- FY 2025 General Revenue: (\$0 to Unknown)
- FY 2026 General Revenue: (\$0 to Unknown)

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article I.

Officials from the **Department of Revenue** indicated the initiative petition does not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to reproductive issues does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-083 has no anticipated fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to reproductive issues does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office is anticipated.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated in reviewing initiative petition 24-083 it has been determined there will be an increased cost to the County of Greene due to loss of tax revenue if voters vote to amend Article I.

The Missouri Department of Health & Senior Services recorded 135 "resident abortions" for Greene County in 2020 and 118 in 2021. The population of Greene County per the 2020 United States census was 298,915. (<https://www.census.gov/quickfacts/fact/table/greene-county-missouri/PST045221>)

In terms of economic impact, Greene County received \$112,673,249 in sales and property taxes for calendar year 2022 (\$**376.94** per capita based on **2020** census data). Accordingly, calculations from these figures indicate an annual loss in population of **135** represents a cost to the County of **\$50,886.90**; an increase in abortion statistics could reasonably be extrapolated to illustrate less tax collections and revenues over the years of potential working lifetimes.

Please see the attached table demonstrating the anticipated yearly on per capita basis and the overall fiscal impact on Greene County tax collections and revenues based on the recorded abortions in 2020 by Missouri Department of Health and Senior Services.

Additional research regarding the broader fiscal impact of lower fertility rates on local and state communities and government budgets may be found here:

- <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/12/the-long-term-decline-in-fertility-and-what-it-means-for-state-budgets>

Greene County Collections in 2022	
2020 Population	298,915
Total Sales Tax Collected	126,986,094.91
Parks I	(8,226,052.01)
Parks II	(8,773,337.47)
Dan Kinney Bond from Parks I	(551,342.50)
LEST	(11,631,863.21)
Strafford TIF	(24,374.44)
Springfield Plaza TIF	(174,240.83)
Sales Tax Subtotal	97,604,884.45
Real Estate Tax	12,222,341.99
Personal Property Tax	2,846,022.58
Property Tax SubTotal	15,068,364.57
Total Taxes	112,673,249.02
Per Capita	376.94
Annual lost population	135
Annual Cost	50,886.90

Officials from **St. Louis County** indicated this has no fiscal impact on their county.

Officials from the **City of Jefferson City** indicated they do not think there would be a direct fiscal impact to the City of Jefferson imposed by Initiative Petition 24-083 proposing to amend Article I. There could be an indirect fiscal impact resulting from increased lawsuits related to violations of the act.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and believe the initiative would have no direct cost or revenue impact.

Susan Klein, Executive Director, Missouri Right to Life provided the following information:



PO Box 651
Jefferson City, MO 65102
573-635-5110
www.missourilife.org

March 15, 2023

Office of the Missouri State Auditor
The Honorable Scott Fitzpatrick
301 West High Street, Room 880
Jefferson City, MO 65102

Dear Auditor Fitzpatrick,

On behalf of the Members, Board and Staff of Missouri Right to Life, I submit to you our comments for consideration and inclusion in the fiscal note you will be preparing regarding the effects to the State of Missouri and its Local Governments of Initiative Petition(s) 2024-077 through 2024-087.

The Petitions Would Create Devastating Impacts for Missouri's Budget:

On March 8, 2023, 11 proposed initiative petitions (2024-077 through 2024-087) were filed with the Missouri Secretary of State's Office by Anna Fitz-James for a campaign committee called "Missourians for Constitutional Freedom." While each initiative petition has some slight variations, they are all identical in their purpose and their fiscal effects to General Revenue, Federal Funds, and Other Funds received by the State of Missouri and the impact to local governments.

The fiscal effects of some of the impacts of the petition(s) follow:

- **Abortion Injuries, Sanctions, Litigation and Loss of Federal Funding:** The petition will allow for abortions to be performed up until the moment of birth and possibly beyond. In addition to the loss of the life of the unborn child and the ending of his or her priceless contributions to our state and society, surgical and chemical abortions have risks and complications to the health of the mother. The cost impacts of surgical and medical abortion physical injuries would result in a devastating impact to Missouri's balanced budget due to an expansion of costs for Missouri's state and Federally-funded healthcare programs. In addition, women endure emotional trauma after an abortion. A massive increase in funding for mental health services would be required. Under current Federal law, states are barred from using Federal funds to pay for abortions except in limited cases (the Hyde Amendment). Federal funding could be in jeopardy and Missouri could be subject to the risk of litigation and sanctions, including the possibility of deferral or disallowance of federal financial participation in Missouri's Medicaid program. In 2019, more than \$7.2 billion in Federal funds were budgeted for Mo HealthNet services (Department of Social Services, Department of Mental Health, and Department of Health and Senior Services). The loss of these funds would be devastating to Missouri.

- **Loss of Licensing Fee Revenues/Penalties:** The petition will allow for anyone to perform an abortion with no penalty, prosecution or adverse action for performing the abortion. An abortion provider would no longer have a reason to maintain his or her license with the State of Missouri (and anyone who chose to perform an abortion would be protected under the Constitution to do so without any regulations or consequences). Missouri laws and regulations would be nullified, and licensing fees normally collected would decline.
- **Rural Hospitals Impacted:** Rural hospitals are already struggling. The petition will allow anyone to perform an abortion with no penalty, prosecution or regulation, and will result in a skyrocketing number of women injured by abortion who will need emergency services, flooding Emergency Rooms and health clinics and limiting or delaying access to emergency healthcare services needed by other individuals. This will result in a fiscal impact to the state. The state will also experience a fiscal impact through staff shortages as abortion-injured state employees seek medical care, surgery and recovery time off work to manage complications of abortion.
- **Missouri Could Face a Budgetary Crisis Due to Loss of Federal Funding from Violating Federal Conscience Laws:** The petition will force Missouri to be out of compliance with Federal conscience laws. This could result in the loss of billions of dollars of Federal funding, litigation and sanctions. If the Federal Government sanctions Missouri due to these violations, this will be devastating and create a budgetary crisis in Missouri. The state will also experience a fiscal impact through staff shortages as state employees flee state jobs where they feel their conscience is violated due to being forced to assist with an abortion.
- **Abortions Funded With Public Tax Dollars:** The petition will allow for the funding of abortions with public tax dollars. The language does not prohibit government funding of abortion procedures or of abortion providers. This would result in a massive fiscal impact to Missouri's balanced budget.
- **Constitutional Protections for Human Traffickers:** The petition will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion. This would result in Constitutional protections for child sex traffickers who impregnate their victims and coerce them into an abortion and would render ineffective Missouri law enforcement, prosecution and justice efforts tasked with upholding our Constitution and laws. The petition could hamper the Federal Government's efforts under The Trafficking Victims Protection Act of 2000 and other Federal laws and could result in sanctions from any Federal funding that Missouri would otherwise be eligible to receive.
- **Sex Changes, et. al, Funded With Public Tax Dollars:** The petition, under the guise of "The Right to Reproductive Freedom," will allow the funding of sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars. This would result in a massive fiscal impact to Missouri's balanced budget.

In summary, any fiscal note of the petition(s) should contain the following language and should also include the estimated fiscal net effects to the State of Missouri and its local government:

This initiative petition (a) will allow for abortions to be performed up until the moment of birth and possibly beyond, which would put Missouri in jeopardy of losing billions of dollars of Federal funding and create an unplanned strain on the state's General Revenue, Other and Local Funds as a result of abortion injuries, sanctions, litigation, loss of licensing fee/penalty revenues, and overloaded emergency rooms and healthcare facilities, (b) will put Missouri in violation of Federal conscience laws, which could result in a loss of billions of dollars of Federal funding and an increase of state and local government employee vacancies and litigation due to exercising their rights of conscience, (c) will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion, thereby creating Constitutional protections for Human Traffickers which could result in a loss of Federal funding, and (d) will allow for the funding of abortions, sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars which would result in a massive fiscal impact to the State of Missouri and its local government budgets.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Klein". The signature is fluid and cursive, with the first name "Susan" and last name "Klein" clearly distinguishable.

Susan Klein
Executive Director
Missouri Right to Life

Samuel H. Lee, Campaign Life Missouri provided the following information:



Samuel Lee
Director

March 16, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

In accordance with the provisions of [section 116.175](#), this is a proposed statement of the fiscal impact of the 11 initiative petitions numbered 24-077 through 24-087, which your office received on March 9, 2023.

To summarize, the proposed ballot measures – all of which would amend the Missouri Constitution – could result in:

- A decrease in federal Medicaid revenues by an unknown amount, up to \$12.5 billion annually.
- Increased costs to taxpayers of unknown amounts, because of medical treatment of, or other services for, children or adults injured by abortions, sex-change operations, genital mutilation or other unspecified “reproductive health care” performed by unlicensed or untrained persons.
- Increased costs of an unknown amount to the Department of Health and Senior Services for the inspection and licensing of thousands of abortion facilities.
- Loss of revenue of unknown amounts to the state and its political subdivisions, because of boycotts of businesses, shopping, tourism or other revenue-generating activities, as a result of Missouri becoming the Midwest’s “abortion destination” state.
- Long-term loss of revenues of unknown amounts to the state and its political subdivisions, because of a decrease in the workforce due to the number of children who are aborted before birth. Also, because of individuals who can no longer work after they become disabled as a result of unsafe abortions, sex-change operations, genital mutilation or other unspecified, unsafe “reproductive health care.” But more important than fiscal costs, the human cost to Missouri’s citizens is unimaginable.

Former-Auditor Galloway made a comparable analysis of the fiscal impacts when she issued her fiscal note and fiscal note summary on [HB 126 \(20-R001 on June 19, 2019\)](#) – the subject of a

referendum that year. Her fiscal note summary became part of the [official ballot title certified by Secretary of State on August 14, 2019](#), for the referendum on HB 126.

Supporting Information on Fiscal Impact of the 11 Initiative Petitions:

- The loss of federal Medicaid matching dollars, which in the proposed fiscal year 2024 budget **would be a loss of nearly \$12.5 billion**.
 - In FY 2023, Missouri lawmakers appropriated about \$16.9 billion for Medicaid (MO HealthNet) across state agencies. [The majority of Medicaid financing in 2023 – \\$10.6 billion – came from federal matching funds](#). The governor’s proposed budget for MO HealthNet for FY 2024 is nearly \$19.3 billion – [almost \\$12.5 billion which would come from federal funds](#).
 - The loss of federal Medicaid matching funds could occur if Missouri is out of compliance with federal Medicaid requirements, for example:
 - If the state cuts off Medicaid reimbursements to Catholic hospitals. This could be a result of the requirement in the initiative petitions that the “Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom.” This might include the state requiring Medicaid providers to sterilize patients, dispense puberty blockers or remove sex organs during sex-change operations.
 - This might also include the state requiring hospitals to participate in the horrendous practice of genital mutilation, currently prohibited by state law under [section 568.065](#), and for which no defense is allowed for “a matter of custom, ritual or standard practice, or [by] consent to the conduct by the child.”
 - But because of the broad-based definition of “reproductive health care” in the 11 initiative petitions (“including but not limited to”), state courts could easily find that genital mutilation is constitutionally protected activity, and strike down existing law.
 - However, for the state government to require Catholic health care providers (or others) to provide these procedures, it would be a violation of their conscience rights – for which the federal government could withhold from the state, Medicaid matching dollars.
 - For example, in California in 2020, [HHS disallowed \\$200 million in federal Medicaid matching funds per quarter due to the state’s unlawful abortion insurance mandate](#), which forced a Catholic order of religious sisters and a non-profit Christian Church to provide abortion health insurance coverage. See also:
 - [“The Fight Over California’s Abortion Coverage Mandate,” Regulatory Review](#), February 3, 2021 (“Can a state require that all health plans offered to its residents cover elective abortions? The federal government thinks not, and the state of California is poised to lose at least \$200 million in Medicaid dollars because it insists that health plans in its state cover abortion services.”)

- [“Federal agency says UVM Med Center forced nurse to assist in abortion,” VT Digger](#), August 28, 2019 (“The U.S. Department of Health and Human Services has accused the University of Vermont Medical Center of forcing a nurse to assist in an abortion procedure despite the nurse’s religious objections. ... The [letter from Roger Severino](#), the director of HHS’ Office for Civil Rights, asks the hospital to adjust its policies or face losing the federal funding it receives from HHS.”)
- There might be additional circumstances where state compliance with at least some of the proposed constitutional amendments would force the state to be out of compliance with federal Medicaid law, such as the state paying for abortions (or other procedures) with federal funds that are not permitted to be reimbursed under federal law. For example, the state might be compelled by the terms of some of the initiative petitions to pay for all abortions for all Medicaid-eligible females, because failing to do so might “discriminate against persons” if the state is paying for the labor and delivery of children for all Medicaid-eligible females. In other words, under the state constitution, Missouri might no longer be [“permitted to enact persuasive measures which favor childbirth over abortion”](#) (*Planned Parenthood v. Casey*, 505 U.S. 833, 886 (1992)). Such non-compliance with federal Medicaid law might also apply to other broad-based, undefined “reproductive health care,” which the state might also be compelled to pay for.
- Under the initiative petitions, the “Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.” “Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, ANY person of ANY age could legally provide, or assist another person in obtaining, an abortion, a sex-change operation, genital mutilation or other unspecified “reproductive health care.” **This could result in numerous, life-altering medical complications to the child or adult who underwent the “reproductive health care.”** Especially with abortion – particularly for abortions performed later in pregnancy – this could result in huge medical costs for her and her child **that are ultimately paid for by taxpayers.**
 - Regarding abortion, in Missouri, the [cost of inpatient medical procedures and emergency department services for treating “issues before childbirth with complications”](#) is a **median charge per person of \$11,977** – with a minimum charges of \$4,140 and a **maximum charge of \$35,345.**
 - And the cost could be even higher for an abortion-related ER visit. [One recent study](#) found that a “[p]atient concealment and/or physician failure to identify a prior abortion during an ER visit is a significant risk factor for a subsequent hospital admission.” In fact, “[c]hemical abortion patients whose abortions are misclassified

- as miscarriages during an ER visit subsequently experience on average 3.2 hospital admissions within 30 days. 86% of the patients ultimately have surgical removal of retained products of conception (RPOC).”
- According to the CDC, in 2020, nearly 10,000 Missouri residents obtained abortions ([9,980 total, but only 167 within the state](#)). Having unlicensed, non-medical personnel permitted to perform or induce abortions within the state on even a fraction of these 10,000 girls or women could result in untold harm to them now – and harm to their future health and fertility.
 - And there might be additional costs to the state or political subdivisions beyond treating the complications to girls or women from being provided abortions by non-physicians or even non-medical personnel. Any low-birthweight infant born alive after a late-term abortion could need long-term NICU care and possibly permanent assistance throughout childhood and during his or her adult life.
 - According to a [2020 New York Times story](#): “The March of Dimes estimates that the average societal cost of each preterm birth, which includes medical care, early intervention services and lost productivity, is \$65,000.”
 - That same story reported on a cost of \$4 million in NICU costs for triplets who were born prematurely.
 - [Preterm birth lifetime costs in the United States](#) (as of 2016) were “estimated to be \$25.2 billion: \$17.1 billion for medical care of persons born preterm, \$2.0 billion for delivery care, \$1.3 billion for early intervention and special education, and \$4.8 billion in lost productivity due to associated disabilities in adults.”
- **Other costs could be the licensing and inspection of multiple locations (potentially thousands of sites) as “abortion facilities,” as required under Missouri law.** This is because [section 197.205](#) requires that no person or governmental unit shall establish, conduct or maintain an abortion facility in the state without a license issued by the Missouri Department of Health and Senior Services (DHSS).
 - [Section 188.015](#) defines an “abortion facility” as “a clinic, physician’s office, or any other place or facility in which abortions are performed or induced other than a hospital”.
 - [Section 197.230](#) states that “[i]n the case of any abortion facility, the department [of health and senior services (DHSS)] shall make or cause to be made an unannounced on-site inspection and investigation at least annually.” Such on-site inspections and investigations must include a variety of areas relating to staffing and equipment to respond to medical emergencies, compliance with Missouri’s abortion laws and the requirement that continuous physician services or registered professional nursing services are to be provided whenever a patient is in the facility.
 - There are [more than 7,000 licensed pharmacists in Missouri](#), and under the proposed constitutional amendment, any pharmacy (or other place) where a pharmacist provides abortion pills, DHSS would be required to inspect and license. **This would**

be an enormous cost to the department and to taxpayers. And any other place where abortion pills would be provided (homes, schools, vending machines, doctor's offices, clinics, etc.) would also have to be inspected at least once a year and licensed.

- **Economic boycotts of Missouri and its businesses could result if the “Show-Me” state becomes the “Abort-Me” state, once it is transformed into the Midwest’s “abortion destination” – a distinct possibility since Missouri is “within a day’s reach of half of U.S. households”.**
 - Just as some pro-abortion advocates in other states are promoting boycotts of states like Missouri that currently protect unborn children from abortion, pro-life advocates in other states might boycott by no longer purchasing from Missouri businesses, or engaging in travel, tourism or shopping in Missouri. How tragic that would be for Missouri, which has been described as one of the top pro-life states in the country.
 - Some “red” states have been prohibiting or attempting to prohibit their governmental entities from doing business with financial firms in other states that take environmental, social and corporate governance (ESG) into consideration, and those same states and additional ones might extend that to any “abortion destination” state – which is what Missouri could become if any one of the 11 initiative petitions is enacted into law.
 - “Missouri tourism provides a \$13.5 billion economic impact that creates more than 257,000 jobs in the state,” according to the Missouri Division of Tourism. It could be a devastating loss to the state and its residents if Missouri became the abortion capital of the Midwest.
- By some estimates, the economic cost to the U.S. of abortion in 2019 – due to the loss of nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of GDP. **Missouri could experience increased economic loss if the number of abortions increases in the state.** And unsafe, legal abortions in the state could result in the disability of countless women who – perhaps permanently – would be unable to enter or remain in the workforce.
 - According to a June 15, 2022 report of the Joint Economic Committee – Congressional Republicans *The Economic Cost of Abortion* – the economic cost of an abortion due to the loss of unborn lives is 425 times larger than the earnings loss mothers could be expected to incur when having a child.”
 - According to a key finding in the report: “In the long run, abortion shrinks the labor force, stunts innovation, and limits economic growth. It also weakens the solvency of social insurance programs like Social Security and Medicare that rely on workers to support a growing elderly population.”
 - And as the International Planned Parenthood Federation has noted: “**Unsafe abortions** are performed by un- or under-trained providers ... It is possible to have an unsafe, legal abortion.” (underlining added)

- Under the initiative petitions, “any person assisting a person in exercising their right to reproductive freedom” shall not “be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, unlicensed, untrained persons of ANY age could perform unsafe, legal abortions or other “reproductive health care,” and the “Government shall not discriminate against persons ... in doing so.” While the economic cost of this policy is incalculable, more important and horrifying, the human cost to Missouri’s citizens is unimaginable.

Auditor Fitzpatrick, if we can be of further assistance, please do not hesitate to contact us.

Sam

Samuel H. Lee
Campaign Life Missouri
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P.O. Box 142585 • St. Louis, MO 63114-0585

David C. Drury, Attorney at Law provided the following information:

Dear Auditor Fitzpatrick:

I am a licensed attorney in the St. Louis Metropolitan area who has practiced law here for the last fifty years.

Eleven similar proposals to destroy major Missouri laws which have existed for decades are being suggested by petition numbers 2024-077 to 2024-087.

As you are aware, section 116.175 et al requires that a fiscal note and fiscal note summary state a measure's estimated cost or savings to any state or local governmental entity. In general, a strong fiscal outlook is an essential foundation for a growing, thriving economy. The gap between income and spending is subsequently closed by government borrowing, something to ideally be avoided. Moreover, voters, especially in this conservative state, should be informed and educated of the costs of measures so radical they reverse and erase in one fell swoop the studied product of elected representatives. Indeed, the cost of a proposal may be the reason a voter decides against it.

As commented, the above proposals, although different in some respects, all contain much identical language. For example, the Preamble and first three numbered paragraphs (except 077 uses the word "entails" in line 2 or paragraph 2) are the same. All contain a "discrimination" paragraph, a "severability clause, and the definitions of "Government" are copied throughout. Other deletions or additions to the submissions do not detract from the fact that multiple unfavorable fiscal consequences will result if passage of any happens. So, I feel it is fair to say that these comments relate to each and every variation, rather than to repeat the same points one by one, over and over.

Another observation about which no one can reasonably disagree is that these are extremely broad, and being so broad are vague and ambiguous. Applications can be to an expansive variety of situations, all at costs to the state and local governmental agencies. This is especially the case in light of the present political structure of the federal government, and of course many federal monies flow to the State of Missouri. Another way of saying this, although a somewhat different point, is the potential, actually a likelihood, that direction of funding can be "weaponized", so state laws conform to federal ones. Thus, the state of Missouri is "fiscally" affected. The federal government and the states do not exist as if there is a wall in between. Money flows back and forth, and thus a state can easily be targeted and penalized by federal legislative and executive actions.

Most recently as this week President Biden proclaimed that it was "cruel" and "close to sinful" for Florida to ban subjecting children to sex-change procedures. (Not to subject the children, but to ban subjecting the children)! The aforesaid ballot proposals insist that the "right to reproductive freedom" shall not be denied, interfered with, delayed, or otherwise restricted, and governmental action should be deemed invalid. The ballot also uses language in paragraph 2 of all versions the clause "not limited to". It would thus appear that the subject of sex-change procedures, is included. Similarly, some of the

suggested versions require no parental or guardian consent whatsoever, and others only superficially address the subject with a sure-fire exception that a health care professional (not even a treating physician) can approve an abortion without consent if he/she thinks that getting consent may lead to emotional harm to the minor. All of the proposals do not even require that a physician is necessary to provide medical care. In fact you don't even need any license. Medical malpractice will automatically result. The harm to patients for this poor care, and the cost to the State for care of these patients will be an adverse fiscal result.

All of the above circumstances, would lead responsible hospitals and medical care providers to practice their profession with higher and different standards. And so they would refuse to abide by the above random, and harmful, provisions. Next, we come to the subject of "who is going to pay the bill"? Medicaid, as we know, pays an enormous amount of medical charges. Hospitals and doctors get reimbursed by the State, but the State must comply with federal law. If a State fails to follow the law, for the federal portion, which is over half, it may not get reimbursed. The State suffers fiscally. My numbers are that the State of Missouri receives 12.5 billion in federal Medicaid money.

What if, for example, Cardinal Glennon Hospital in St. Louis refused to perform sex change surgery on a minor, with or without parental consent, in its hospital? It is against its religious beliefs, among many other reasons. Can the hospital be denied Medicaid funds? The text of the proposals require such. The President has just declared that refusing to perform this is "cruel". If the State foots the bill and does not get reimbursed from the federal government, this is a fiscal loss.

Is medical insurance required to pay for "reproductive health care"? If so, these are expensive fiscal consequences of the proposals.

The proposals also yield enormous costs to the State in situations where persons or institutions refuse care against their medical "standard of care" but do not even require a license (creating a breeding ground for malpractice, and all of the expenses that come with it). With Medicaid, the state pays part of the bill, but may not get reimbursed the rest if the proposed bill is not followed. What about the "religious beliefs" of medical care providers. If, for example, Catholic hospitals are penalized, the State of Missouri could also be "fiscally" penalized.

What about the issue of prescribing pills to induce abortion---chemical abortion? Do these proposals mean that all care providers must not deny, restrict, or delay this form of abortion? Is the "government" discriminating against patients by not requiring care providers including pharmacists to dispense the pills? Can they be penalized by withholding of Medicaid payments?

The issue of federal Medicaid funds being disallowed has come up before. In December 2020 HHS and OCR announced that \$200 million in federal Medicaid funds going to California in the upcoming quarter were being denied. This was due to the state illegally mandating that all health care plans subject to regulation by the California Department

of Managed Health Care cover abortion without exclusion or limitation. Furthermore, if California did not come into compliance, additional disallowances would be imposed at a rate of \$200 million per quarter. In a Vermont case, receipt of federal funds because of discrimination against an employee who refused to participate in abortions was threatened. I mention this because of the potential fiscal effect on the State of Missouri if one of these proposals was passed.

So as not to overlook the obvious, the proposals if passed would surely make abortions easier in this state, depriving the state of countless future taxpaying citizens. These persons, if allowed to live, would work, create and staff businesses, produce products, and in general contribute to the economy. A growing population encourages others to move here which in turn results in additional fiscal activity. And, although much of the above addresses Medicaid costs, since fewer workers will be around to contribute to the Medicare system, this system will be under fiscal stress also.

These are only some of the immediate, short-term, and permanent unfortunate fiscal consequences to State and local government if any of the proposals pass.

Thank you for considering this information.

David C. Drury

Attorney at Law

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314-868-7460

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**Rachel U. Greszler, Senior Research Fellow in Economics, Budgets, and Entitlements,
The Heritage Foundation** provided the following information:

Date: March 17, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

Per Missouri's [fiscal impact](#) provisions, I have prepared the below fiscal note comments on the proposed ballot initiative "A Constitutional Amendment Concerning the Regulation of Abortion" as submitted to your office on March 9, 2023 as initiative petitions 24-077 through 24-087. My comments are my own and should not be construed as representing any official position of the Heritage Foundation.

Missouri is considering laws that would make abortion legal and easily accessible. The State should not take that step, simply because it would result in the death of thousands of innocent human beings. I offer this fiscal note to provide additional reasons that might persuade those who wrongly doubt that unborn human babies are persons.

By significantly reducing the number of births in the state, these laws would reduce the state's population growth and generate short- and long-term impacts on the state's output and its government finances. Abortion laws could also impact individuals' and families' personal finances, health, and wellbeing in ways that affect states revenues and expenses.

Population growth and economic growth go hand in hand so long as the necessary resources and infrastructure are in place to support that growth. Those resources and infrastructure are in place and the U.S. faces an unprecedented labor shortage. Recent declines in fertility rates threaten to reduce population growth and current and future economic growth. Moreover, government debt has created a situation in which the future wellbeing of current residents is dependent upon a growing population and workforce to pay for current debts and for unfunded obligations promised to retirees.

Since 2007, the [total fertility rate](#) in the U.S. declined from 2.11 births per woman (right at replacement rate) to just 1.66 births per woman in 2021. Missouri's total fertility rate declined from 2.08 in 2007 to 1.60 in 2021.

Compared to current law (in which abortion is illegal in Missouri except in instances in which the woman's life is in danger or her health is severely compromised), the proposed laws could

lead to an additional [2,000 to 9,000 abortions per year](#) in Missouri, depending on how expansive abortion access would become.¹ Based on population projections from the Census Bureau, and assuming a one-for-one correlation between increased abortions and reduced population, the proposed abortion laws could reduce Missouri's projected population by 0.3 percent to 1.4 percent over the next 10 years and by 0.6 percent to 2.7 percent over the next 20 years.

The state needs to consider the following potential effects of abortion-induced population decline in its impact analysis:

A reduced labor force. Fewer births and a smaller population means a smaller future labor force. While proponents of abortion make the economic case that abortion enables women to work and earn more, the additional measurable work and earnings of women as a result of having an abortion is miniscule compared to the potential lifetime work and earnings of another human being. Moreover, while having a child can reduce mothers' work and earnings, it tends to increase fathers' work and earnings—a factor that is ignored in abortion advocates economic claims.

Healthcare strain. Already, the U.S. faces [serious shortages](#) of healthcare workers and the population is continuing to age. Young people (those who would be aborted over the coming decades as a result of the proposed laws) consume very little healthcare, and as they reach working age, they are net providers of healthcare. This means the proposed laws could exacerbate healthcare worker shortages, limit Missourians' [access to healthcare](#), and potentially drive up the state's [healthcare costs](#) as shortages lead to higher prices. With Medicaid being Missouri's largest budgetary item (in FY 2022, Missouri's Medicaid spending was 74 percent greater than its K-12 education spending), and the state being limited by the federal government in its ability to reduce Medicaid spending, higher healthcare costs could impose significant budget constraints.

Reduced tax revenues. In the immediate future, fewer children born in Missouri could reduce sales and real estate tax revenues because households with children spend more and tend to live in higher-value housing. While the income tax revenues of women who have children could be lower if they work less after having children, the work and [earnings of men](#) tend to rise after they have children. In the decades following increased abortions, the absence of potentially tens of thousands of workers would lead to reduced income tax revenues. Although some state expenses are proportional to the number of residents and would decline over time, many expenses are not, and declining revenues would necessitate higher taxes or spending cuts.

Exacerbated unfunded pensions and other post-employment benefits. Depending on different assumptions and risk levels, Missouri has between [\\$36 billion](#) and [\\$171 billion](#) in unfunded pension and [other post-employment benefits](#). That is money that has already been promised to public sector workers and retirees, but which has not been set aside to provide those benefits. The American Legislative Exchange Council estimates that Missouri's unfunded pension liabilities alone amount to [\\$26,965 per capita](#) in 2021, and these unfunded liabilities are

¹ Estimated increase based on the number of abortions in Missouri, as reported by the [Missouri Department of Health and Senior Services](#) and the [Guttmacher Institute](#), reporting roughly 9,000 abortions around 2000-2001 and about 2,000 abortions around 2020-2021.

continuing to grow. The fewer people Missouri has, the larger the per-capita liabilities become, and the harder it will be to raise taxes on workers and employers without them moving to other states. Among many consequences, [economic analysis](#) shows that unfunded pension obligations lead to lower real estate values, which would reduce property tax revenues.

Conclusion

It is an unquestionable fact that the U.S. Constitution requires all state and local governments to uphold Americans' most fundamental natural rights, including that of the right to life. Not counting unborn humans as living beings and treating abortion as an exercise in economic eugenics is an assault on these rights and values.

Even then, the fiscal and economic perspectives of abortion advocates are lacking sufficient economic rigor. I offer this fiscal analysis that provides good reasons to reject the proposed amendments on premises that abortion advocates may be able to accept.

The proposed laws to legalize and expand abortion access in Missouri warrant a properly conducted fiscal analysis. As a part of the debate, policymakers must consider how increased abortions will affect Missouri's population, workforce, fundamental services such as healthcare, the states tax revenues and expenditures, and Missouri's ability to make good on its unfunded pension and other post-employment benefit obligations.

Respectfully,

Rachel U. Greszler
Senior Research Fellow in Economics, Budgets, and Entitlements
The Heritage Foundation
214 Massachusetts Ave, NE
Washington, DC 20002
Email: rachel.greszler@heritage.org

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The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, , the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.**

Fiscal Note Summary

State governmental entities estimate no costs or savings, but unknown impact. Local governmental entities estimate costs of at least \$51,000 annually in reduced tax revenues. Opponents estimate a potentially significant loss to state revenue.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

RECEIVED

MAR 09 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Anna Fitz-James regarding a proposed constitutional amendment to Article I, version 6 (2024-082)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Anna Fitz-James on March 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
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6.					
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures) _____
Street Address of Affiant _____

Printed Name of Affiant _____
City, State and Zip Code of Affiant _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary _____
Address of Notary _____

My Commission Expires:____
(Seal)

NOTICE: The proposed amendment revises Article I of the Constitution by adopting one new Section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article I of the Constitution is revised by adopting one new Section to be known as Article I, Section 36 to read as follows:

Section 36. 1. This Section shall be known as “The Right to Reproductive Freedom Initiative.”

2. The Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom, which is the right to make and carry out decisions about all matters relating to reproductive health care, including but not limited to prenatal care, childbirth, postpartum care, birth control, abortion care, miscarriage care, and respectful birthing conditions.

3. The right to reproductive freedom shall not be denied, interfered with, delayed, or otherwise restricted unless the Government demonstrates that such action is justified by a compelling governmental interest achieved by the least restrictive means. Any denial, interference, delay, or restriction of the right to reproductive freedom shall be presumed invalid. For purposes of this Section, a governmental interest is compelling only if it is for the limited purpose and has the limited effect of improving or maintaining the health of a person seeking care, is consistent with widely accepted clinical standards of practice and evidence-based medicine, and does not infringe on that person’s autonomous decision-making.

4. Notwithstanding subsection 3 of this Section, the general assembly may enact laws that regulate the provision of abortion after 24 weeks of gestation, as measured from the first day of the patient’s last menstrual period consistent with accepted clinical standards, provided that under no circumstance shall the Government deny, interfere with, delay, or otherwise restrict an abortion that, in the good faith judgment of a treating health care professional, is needed to protect the life or physical or mental health of the pregnant person or is of a nonviable pregnancy.

5. No person shall be penalized, prosecuted, or otherwise subjected to adverse action based on their actual, potential, perceived, or alleged pregnancy outcomes, including but not limited to miscarriage, stillbirth, or abortion. Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.

6. The Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.

7. If any provision of this Section or the application thereof to anyone or to any circumstance is held invalid, the remainder of those provisions and the application of such provisions to others or other circumstances shall not be affected thereby.

8. For purposes of this Section, the term “Government” means:

(1) the state of Missouri; or

(2) any municipality, city, town, village, township, district, authority, public subdivision or public corporation having the power to tax or regulate, or any portion of two or more such entities within the state of Missouri.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-082)**

Subject

Initiative petition from Anna Fitz-James regarding a proposed constitutional amendment to Article I. (Received March 9, 2023)

Date

March 29, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Susan Klein, Executive Director, Missouri Right to Life provided information to the State Auditor's office.

Samuel H. Lee, Campaign Life Missouri provided information to the State Auditor's office.

David C. Drury, Attorney at Law provided information to the State Auditor's office.

Rachel U. Greszler, Senior Research Fellow in Economics, Budgets and Entitlements, The Heritage Foundation provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-082 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated changes to the bill are as follows:

Initiative petition 24-082 is identical to 24-077 with the following exceptions:

Adds new Section 36.4, which states "Notwithstanding subsection 3 of this Section, the general assembly may enact laws that regulate the provision of abortion after 24 weeks of gestation, as measured from the first day of the patient's last menstrual period consistent with accepted clinical standards, provided that under no circumstance shall the Government deny, burden, or otherwise restrict an abortion that, in the good faith judgement of a treating health care professional, is needed to protect the life or physical or mental health of the pregnant person or is of a nonviable pregnancy."

Removes Section 36.6, which states "Nothing in this Section requires government funding of abortion procedures other than as required by federal law."

Comments:

The fiscal impact for 24-082 is the same as the fiscal impact for 24-077 and is as follows:

- FY 2024 General Revenue: (\$0 to Unknown)
- FY 2025 General Revenue: (\$0 to Unknown)
- FY 2026 General Revenue: (\$0 to Unknown)

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article I.

Officials from the **Department of Revenue** indicated the initiative petition does not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact.

Officials from the **Governor's office** indicated this proposal relating to reproductive issues does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-082 has no anticipated fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to reproductive issues will not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office is anticipated.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated in reviewing initiative petition 24-082 it has been determined there will be an increased cost to the County of Greene due to loss of tax revenue if voters vote to amend Article I.

The Missouri Department of Health & Senior Services recorded 135 "resident abortions" for Greene County in 2020 and 118 in 2021. The population of Greene County per the 2020 United States census was 298,915. (<https://www.census.gov/quickfacts/fact/table/greene-county-missouri/PST045221>)

In terms of economic impact, Greene County received \$112,673,249 in sales and property taxes for calendar year 2022 (**\$376.94** per capita based on **2020** census data). Accordingly, calculations from these figures indicate an annual loss in population of **135** represents a cost to the County of **\$50,886.90**; an increase in abortion statistics could reasonably be extrapolated to illustrate less tax collections and revenues over the years of potential working lifetimes.

Please see the attached table demonstrating the anticipated yearly on per capita basis and the overall fiscal impact on Greene County tax collections and revenues based on the recorded abortions in 2020 by Missouri Department of Health and Senior Services.

Additional research regarding the broader fiscal impact of lower fertility rates on local and state communities and government budgets may be found here:

- <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/12/the-long-term-decline-in-fertility-and-what-it-means-for-state-budgets>

Greene County Collections in 2022	
2020 Population	298,915
Total Sales Tax Collected	126,986,094.91
Parks I	(8,226,052.01)
Parks II	(8,773,337.47)
Dan Kinney Bond from Parks I	(551,342.50)
LEST	(11,631,863.21)
Strafford TIF	(24,374.44)
Springfield Plaza TIF	(174,240.83)
Sales Tax Subtotal	97,604,884.45
Real Estate Tax	12,222,341.99
Personal Property Tax	2,846,022.58
Property Tax SubTotal	15,068,364.57
Total Taxes	112,673,249.02
Per Capita	376.94
Annual lost population	135
Annual Cost	50,886.90

Officials from **St. Louis County** indicated this has no fiscal impact on their county.

Officials from the **City of Jefferson City** indicated they do not think there would be a direct fiscal impact to the City of Jefferson imposed by Initiative Petition 24-082 proposing to amend Article I. There could be an indirect fiscal impact resulting from increased lawsuits related to violations of the act.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and believe the initiative would have no direct cost or revenue impact.

Susan Klein, Executive Director, Missouri Right to Life provided the following information:



PO Box 651
Jefferson City, MO 65102
573-635-5110
www.missourilife.org

March 15, 2023

Office of the Missouri State Auditor
The Honorable Scott Fitzpatrick
301 West High Street, Room 880
Jefferson City, MO 65102

Dear Auditor Fitzpatrick,

On behalf of the Members, Board and Staff of Missouri Right to Life, I submit to you our comments for consideration and inclusion in the fiscal note you will be preparing regarding the effects to the State of Missouri and its Local Governments of Initiative Petition(s) 2024-077 through 2024-087.

The Petitions Would Create Devastating Impacts for Missouri's Budget:

On March 8, 2023, 11 proposed initiative petitions (2024-077 through 2024-087) were filed with the Missouri Secretary of State's Office by Anna Fitz-James for a campaign committee called "Missourians for Constitutional Freedom." While each initiative petition has some slight variations, they are all identical in their purpose and their fiscal effects to General Revenue, Federal Funds, and Other Funds received by the State of Missouri and the impact to local governments.

The fiscal effects of some of the impacts of the petition(s) follow:

- **Abortion Injuries, Sanctions, Litigation and Loss of Federal Funding:** The petition will allow for abortions to be performed up until the moment of birth and possibly beyond. In addition to the loss of the life of the unborn child and the ending of his or her priceless contributions to our state and society, surgical and chemical abortions have risks and complications to the health of the mother. The cost impacts of surgical and medical abortion physical injuries would result in a devastating impact to Missouri's balanced budget due to an expansion of costs for Missouri's state and Federally-funded healthcare programs. In addition, women endure emotional trauma after an abortion. A massive increase in funding for mental health services would be required. Under current Federal law, states are barred from using Federal funds to pay for abortions except in limited cases (the Hyde Amendment). Federal funding could be in jeopardy and Missouri could be subject to the risk of litigation and sanctions, including the possibility of deferral or disallowance of federal financial participation in Missouri's Medicaid program. In 2019, more than \$7.2 billion in Federal funds were budgeted for Mo HealthNet services (Department of Social Services, Department of Mental Health, and Department of Health and Senior Services). The loss of these funds would be devastating to Missouri.

- **Loss of Licensing Fee Revenues/Penalties:** The petition will allow for anyone to perform an abortion with no penalty, prosecution or adverse action for performing the abortion. An abortion provider would no longer have a reason to maintain his or her license with the State of Missouri (and anyone who chose to perform an abortion would be protected under the Constitution to do so without any regulations or consequences). Missouri laws and regulations would be nullified, and licensing fees normally collected would decline.
- **Rural Hospitals Impacted:** Rural hospitals are already struggling. The petition will allow anyone to perform an abortion with no penalty, prosecution or regulation, and will result in a skyrocketing number of women injured by abortion who will need emergency services, flooding Emergency Rooms and health clinics and limiting or delaying access to emergency healthcare services needed by other individuals. This will result in a fiscal impact to the state. The state will also experience a fiscal impact through staff shortages as abortion-injured state employees seek medical care, surgery and recovery time off work to manage complications of abortion.
- **Missouri Could Face a Budgetary Crisis Due to Loss of Federal Funding from Violating Federal Conscience Laws:** The petition will force Missouri to be out of compliance with Federal conscience laws. This could result in the loss of billions of dollars of Federal funding, litigation and sanctions. If the Federal Government sanctions Missouri due to these violations, this will be devastating and create a budgetary crisis in Missouri. The state will also experience a fiscal impact through staff shortages as state employees flee state jobs where they feel their conscience is violated due to being forced to assist with an abortion.
- **Abortions Funded With Public Tax Dollars:** The petition will allow for the funding of abortions with public tax dollars. The language does not prohibit government funding of abortion procedures or of abortion providers. This would result in a massive fiscal impact to Missouri's balanced budget.
- **Constitutional Protections for Human Traffickers:** The petition will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion. This would result in Constitutional protections for child sex traffickers who impregnate their victims and coerce them into an abortion and would render ineffective Missouri law enforcement, prosecution and justice efforts tasked with upholding our Constitution and laws. The petition could hamper the Federal Government's efforts under The Trafficking Victims Protection Act of 2000 and other Federal laws and could result in sanctions from any Federal funding that Missouri would otherwise be eligible to receive.
- **Sex Changes, et. al, Funded With Public Tax Dollars:** The petition, under the guise of "The Right to Reproductive Freedom," will allow the funding of sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars. This would result in a massive fiscal impact to Missouri's balanced budget.

In summary, any fiscal note of the petition(s) should contain the following language and should also include the estimated fiscal net effects to the State of Missouri and its local government:

This initiative petition (a) will allow for abortions to be performed up until the moment of birth and possibly beyond, which would put Missouri in jeopardy of losing billions of dollars of Federal funding and create an unplanned strain on the state's General Revenue, Other and Local Funds as a result of abortion injuries, sanctions, litigation, loss of licensing fee/penalty revenues, and overloaded emergency rooms and healthcare facilities, (b) will put Missouri in violation of Federal conscience laws, which could result in a loss of billions of dollars of Federal funding and an increase of state and local government employee vacancies and litigation due to exercising their rights of conscience, (c) will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion, thereby creating Constitutional protections for Human Traffickers which could result in a loss of Federal funding, and (d) will allow for the funding of abortions, sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars which would result in a massive fiscal impact to the State of Missouri and its local government budgets.

Sincerely,

A handwritten signature in cursive script that reads "Susan Klein". The signature is written in dark ink and is positioned above the printed name and title.

Susan Klein
Executive Director
Missouri Right to Life

Samuel H. Lee, Campaign Life Missouri provided the following information:



Samuel Lee
Director

March 16, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

In accordance with the provisions of [section 116.175](#), this is a proposed statement of the fiscal impact of the 11 initiative petitions numbered 24-077 through 24-087, which your office received on March 9, 2023.

To summarize, the proposed ballot measures – all of which would amend the Missouri Constitution – could result in:

- A decrease in federal Medicaid revenues by an unknown amount, up to \$12.5 billion annually.
- Increased costs to taxpayers of unknown amounts, because of medical treatment of, or other services for, children or adults injured by abortions, sex-change operations, genital mutilation or other unspecified “reproductive health care” performed by unlicensed or untrained persons.
- Increased costs of an unknown amount to the Department of Health and Senior Services for the inspection and licensing of thousands of abortion facilities.
- Loss of revenue of unknown amounts to the state and its political subdivisions, because of boycotts of businesses, shopping, tourism or other revenue-generating activities, as a result of Missouri becoming the Midwest’s “abortion destination” state.
- Long-term loss of revenues of unknown amounts to the state and its political subdivisions, because of a decrease in the workforce due to the number of children who are aborted before birth. Also, because of individuals who can no longer work after they become disabled as a result of unsafe abortions, sex-change operations, genital mutilation or other unspecified, unsafe “reproductive health care.” But more important than fiscal costs, the human cost to Missouri’s citizens is unimaginable.

Former-Auditor Galloway made a comparable analysis of the fiscal impacts when she issued her fiscal note and fiscal note summary on [HB 126 \(20-R001 on June 19, 2019\)](#) – the subject of a

referendum that year. Her fiscal note summary became part of the [official ballot title certified by Secretary of State on August 14, 2019](#), for the referendum on HB 126.

Supporting Information on Fiscal Impact of the 11 Initiative Petitions:

- The loss of federal Medicaid matching dollars, which in the proposed fiscal year 2024 budget **would be a loss of nearly \$12.5 billion**.
 - In FY 2023, Missouri lawmakers appropriated about \$16.9 billion for Medicaid (MO HealthNet) across state agencies. [The majority of Medicaid financing in 2023 – \\$10.6 billion – came from federal matching funds](#). The governor’s proposed budget for MO HealthNet for FY 2024 is nearly \$19.3 billion – [almost \\$12.5 billion which would come from federal funds](#).
 - The loss of federal Medicaid matching funds could occur if Missouri is out of compliance with federal Medicaid requirements, for example:
 - If the state cuts off Medicaid reimbursements to Catholic hospitals. This could be a result of the requirement in the initiative petitions that the “Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom.” This might include the state requiring Medicaid providers to sterilize patients, dispense puberty blockers or remove sex organs during sex-change operations.
 - This might also include the state requiring hospitals to participate in the horrendous practice of genital mutilation, currently prohibited by state law under [section 568.065](#), and for which no defense is allowed for “a matter of custom, ritual or standard practice, or [by] consent to the conduct by the child.”
 - But because of the broad-based definition of “reproductive health care” in the 11 initiative petitions (“including but not limited to”), state courts could easily find that genital mutilation is constitutionally protected activity, and strike down existing law.
 - However, for the state government to require Catholic health care providers (or others) to provide these procedures, it would be a violation of their conscience rights – for which the federal government could withhold from the state, Medicaid matching dollars.
 - For example, in California in 2020, [HHS disallowed \\$200 million in federal Medicaid matching funds per quarter due to the state’s unlawful abortion insurance mandate](#), which forced a Catholic order of religious sisters and a non-profit Christian Church to provide abortion health insurance coverage. See also:
 - [“The Fight Over California’s Abortion Coverage Mandate,” Regulatory Review](#), February 3, 2021 (“Can a state require that all health plans offered to its residents cover elective abortions? The federal government thinks not, and the state of California is poised to lose at least \$200 million in Medicaid dollars because it insists that health plans in its state cover abortion services.”)

- [“Federal agency says UVM Med Center forced nurse to assist in abortion,” VT Digger](#), August 28, 2019 (“The U.S. Department of Health and Human Services has accused the University of Vermont Medical Center of forcing a nurse to assist in an abortion procedure despite the nurse’s religious objections. ... The [letter from Roger Severino](#), the director of HHS’ Office for Civil Rights, asks the hospital to adjust its policies or face losing the federal funding it receives from HHS.”)
- There might be additional circumstances where state compliance with at least some of the proposed constitutional amendments would force the state to be out of compliance with federal Medicaid law, such as the state paying for abortions (or other procedures) with federal funds that are not permitted to be reimbursed under federal law. For example, the state might be compelled by the terms of some of the initiative petitions to pay for all abortions for all Medicaid-eligible females, because failing to do so might “discriminate against persons” if the state is paying for the labor and delivery of children for all Medicaid-eligible females. In other words, under the state constitution, Missouri might no longer be [“permitted to enact persuasive measures which favor childbirth over abortion”](#) (*Planned Parenthood v. Casey*, 505 U.S. 833, 886 (1992)). Such non-compliance with federal Medicaid law might also apply to other broad-based, undefined “reproductive health care,” which the state might also be compelled to pay for.
- Under the initiative petitions, the “Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.” “Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, ANY person of ANY age could legally provide, or assist another person in obtaining, an abortion, a sex-change operation, genital mutilation or other unspecified “reproductive health care.” **This could result in numerous, life-altering medical complications to the child or adult who underwent the “reproductive health care.”** Especially with abortion – particularly for abortions performed later in pregnancy – this could result in huge medical costs for her and her child **that are ultimately paid for by taxpayers.**
 - Regarding abortion, in Missouri, the [cost of inpatient medical procedures and emergency department services for treating “issues before childbirth with complications”](#) is a **median charge per person of \$11,977** – with a minimum charges of \$4,140 and a **maximum charge of \$35,345.**
 - And the cost could be even higher for an abortion-related ER visit. [One recent study](#) found that a “[p]atient concealment and/or physician failure to identify a prior abortion during an ER visit is a significant risk factor for a subsequent hospital admission.” In fact, “[c]hemical abortion patients whose abortions are misclassified

- as miscarriages during an ER visit subsequently experience on average 3.2 hospital admissions within 30 days. 86% of the patients ultimately have surgical removal of retained products of conception (RPOC).”
- According to the CDC, in 2020, nearly 10,000 Missouri residents obtained abortions ([9,980 total, but only 167 within the state](#)). Having unlicensed, non-medical personnel permitted to perform or induce abortions within the state on even a fraction of these 10,000 girls or women could result in untold harm to them now – and harm to their future health and fertility.
 - And there might be additional costs to the state or political subdivisions beyond treating the complications to girls or women from being provided abortions by non-physicians or even non-medical personnel. Any low-birthweight infant born alive after a late-term abortion could need long-term NICU care and possibly permanent assistance throughout childhood and during his or her adult life.
 - According to a [2020 New York Times story](#): “The March of Dimes estimates that the average societal cost of each preterm birth, which includes medical care, early intervention services and lost productivity, is \$65,000.”
 - That same story reported on a cost of \$4 million in NICU costs for triplets who were born prematurely.
 - [Preterm birth lifetime costs in the United States](#) (as of 2016) were “estimated to be \$25.2 billion: \$17.1 billion for medical care of persons born preterm, \$2.0 billion for delivery care, \$1.3 billion for early intervention and special education, and \$4.8 billion in lost productivity due to associated disabilities in adults.”
- **Other costs could be the licensing and inspection of multiple locations (potentially thousands of sites) as “abortion facilities,” as required under Missouri law.** This is because [section 197.205](#) requires that no person or governmental unit shall establish, conduct or maintain an abortion facility in the state without a license issued by the Missouri Department of Health and Senior Services (DHSS).
 - [Section 188.015](#) defines an “abortion facility” as “a clinic, physician’s office, or any other place or facility in which abortions are performed or induced other than a hospital”.
 - [Section 197.230](#) states that “[i]n the case of any abortion facility, the department [of health and senior services (DHSS)] shall make or cause to be made an unannounced on-site inspection and investigation at least annually.” Such on-site inspections and investigations must include a variety of areas relating to staffing and equipment to respond to medical emergencies, compliance with Missouri’s abortion laws and the requirement that continuous physician services or registered professional nursing services are to be provided whenever a patient is in the facility.
 - There are [more than 7,000 licensed pharmacists in Missouri](#), and under the proposed constitutional amendment, any pharmacy (or other place) where a pharmacist provides abortion pills, DHSS would be required to inspect and license. **This would**

be an enormous cost to the department and to taxpayers. And any other place where abortion pills would be provided (homes, schools, vending machines, doctor's offices, clinics, etc.) would also have to be inspected at least once a year and licensed.

- **Economic boycotts of Missouri and its businesses could result if the “Show-Me” state becomes the “Abort-Me” state, once it is transformed into the Midwest’s “abortion destination” – a distinct possibility since Missouri is “within a day’s reach of half of U.S. households”.**
 - Just as some pro-abortion advocates in other states are promoting boycotts of states like Missouri that currently protect unborn children from abortion, pro-life advocates in other states might boycott by no longer purchasing from Missouri businesses, or engaging in travel, tourism or shopping in Missouri. How tragic that would be for Missouri, which has been described as one of the top pro-life states in the country.
 - Some “red” states have been prohibiting or attempting to prohibit their governmental entities from doing business with financial firms in other states that take environmental, social and corporate governance (ESG) into consideration, and those same states and additional ones might extend that to any “abortion destination” state – which is what Missouri could become if any one of the 11 initiative petitions is enacted into law.
 - “Missouri tourism provides a \$13.5 billion economic impact that creates more than 257,000 jobs in the state,” according to the Missouri Division of Tourism. It could be a devastating loss to the state and its residents if Missouri became the abortion capital of the Midwest.
- By some estimates, the economic cost to the U.S. of abortion in 2019 – due to the loss of nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of GDP. **Missouri could experience increased economic loss if the number of abortions increases in the state.** And unsafe, legal abortions in the state could result in the disability of countless women who – perhaps permanently – would be unable to enter or remain in the workforce.
 - According to a June 15, 2022 report of the Joint Economic Committee – Congressional Republicans *The Economic Cost of Abortion* – the economic cost of an abortion due to the loss of unborn lives is 425 times larger than the earnings loss mothers could be expected to incur when having a child.”
 - According to a key finding in the report: “In the long run, abortion shrinks the labor force, stunts innovation, and limits economic growth. It also weakens the solvency of social insurance programs like Social Security and Medicare that rely on workers to support a growing elderly population.”
 - And as the International Planned Parenthood Federation has noted: “**Unsafe abortions** are performed by un- or under-trained providers ... It is possible to have an unsafe, legal abortion.” (underlining added)

- Under the initiative petitions, “any person assisting a person in exercising their right to reproductive freedom” shall not “be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, unlicensed, untrained persons of ANY age could perform unsafe, legal abortions or other “reproductive health care,” and the “Government shall not discriminate against persons ... in doing so.” While the economic cost of this policy is incalculable, more important and horrifying, the human cost to Missouri’s citizens is unimaginable.

Auditor Fitzpatrick, if we can be of further assistance, please do not hesitate to contact us.

Sam

Samuel H. Lee
Campaign Life Missouri
P.O. Box 142585
St. Louis, MO 63114-0585
(314) 368-4242
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Twitter: [@samuelhlee](https://twitter.com/samuelhlee)



P.O. Box 142585 • St. Louis, MO 63114-0585

David C. Drury, Attorney at Law provided the following information:

Dear Auditor Fitzpatrick:

I am a licensed attorney in the St. Louis Metropolitan area who has practiced law here for the last fifty years.

Eleven similar proposals to destroy major Missouri laws which have existed for decades are being suggested by petition numbers 2024-077 to 2024-087.

As you are aware, section 116.175 et al requires that a fiscal note and fiscal note summary state a measure's estimated cost or savings to any state or local governmental entity. In general, a strong fiscal outlook is an essential foundation for a growing, thriving economy. The gap between income and spending is subsequently closed by government borrowing, something to ideally be avoided. Moreover, voters, especially in this conservative state, should be informed and educated of the costs of measures so radical they reverse and erase in one fell swoop the studied product of elected representatives. Indeed, the cost of a proposal may be the reason a voter decides against it.

As commented, the above proposals, although different in some respects, all contain much identical language. For example, the Preamble and first three numbered paragraphs (except 077 uses the word "entails" in line 2 or paragraph 2) are the same. All contain a "discrimination" paragraph, a "severability clause, and the definitions of "Government" are copied throughout. Other deletions or additions to the submissions do not detract from the fact that multiple unfavorable fiscal consequences will result if passage of any happens. So, I feel it is fair to say that these comments relate to each and every variation, rather than to repeat the same points one by one, over and over.

Another observation about which no one can reasonably disagree is that these are extremely broad, and being so broad are vague and ambiguous. Applications can be to an expansive variety of situations, all at costs to the state and local governmental agencies. This is especially the case in light of the present political structure of the federal government, and of course many federal monies flow to the State of Missouri. Another way of saying this, although a somewhat different point, is the potential, actually a likelihood, that direction of funding can be "weaponized", so state laws conform to federal ones. Thus, the state of Missouri is "fiscally" affected. The federal government and the states do not exist as if there is a wall in between. Money flows back and forth, and thus a state can easily be targeted and penalized by federal legislative and executive actions.

Most recently as this week President Biden proclaimed that it was "cruel" and "close to sinful" for Florida to ban subjecting children to sex-change procedures. (Not to subject the children, but to ban subjecting the children)! The aforesaid ballot proposals insist that the "right to reproductive freedom" shall not be denied, interfered with, delayed, or otherwise restricted, and governmental action should be deemed invalid. The ballot also uses language in paragraph 2 of all versions the clause "not limited to". It would thus appear that the subject of sex-change procedures, is included. Similarly, some of the

suggested versions require no parental or guardian consent whatsoever, and others only superficially address the subject with a sure-fire exception that a health care professional (not even a treating physician) can approve an abortion without consent if he/she thinks that getting consent may lead to emotional harm to the minor. All of the proposals do not even require that a physician is necessary to provide medical care. In fact you don't even need any license. Medical malpractice will automatically result. The harm to patients for this poor care, and the cost to the State for care of these patients will be an adverse fiscal result.

All of the above circumstances, would lead responsible hospitals and medical care providers to practice their profession with higher and different standards. And so they would refuse to abide by the above random, and harmful, provisions. Next, we come to the subject of "who is going to pay the bill"? Medicaid, as we know, pays an enormous amount of medical charges. Hospitals and doctors get reimbursed by the State, but the State must comply with federal law. If a State fails to follow the law, for the federal portion, which is over half, it may not get reimbursed. The State suffers fiscally. My numbers are that the State of Missouri receives 12.5 billion in federal Medicaid money.

What if, for example, Cardinal Glennon Hospital in St. Louis refused to perform sex change surgery on a minor, with or without parental consent, in its hospital? It is against its religious beliefs, among many other reasons. Can the hospital be denied Medicaid funds? The text of the proposals require such. The President has just declared that refusing to perform this is "cruel". If the State foots the bill and does not get reimbursed from the federal government, this is a fiscal loss.

Is medical insurance required to pay for "reproductive health care"? If so, these are expensive fiscal consequences of the proposals.

The proposals also yield enormous costs to the State in situations where persons or institutions refuse care against their medical "standard of care" but do not even require a license (creating a breeding ground for malpractice, and all of the expenses that come with it). With Medicaid, the state pays part of the bill, but may not get reimbursed the rest if the proposed bill is not followed. What about the "religious beliefs" of medical care providers. If, for example, Catholic hospitals are penalized, the State of Missouri could also be "fiscally" penalized.

What about the issue of prescribing pills to induce abortion---chemical abortion? Do these proposals mean that all care providers must not deny, restrict, or delay this form of abortion? Is the "government" discriminating against patients by not requiring care providers including pharmacists to dispense the pills? Can they be penalized by withholding of Medicaid payments?

The issue of federal Medicaid funds being disallowed has come up before. In December 2020 HHS and OCR announced that \$200 million in federal Medicaid funds going to California in the upcoming quarter were being denied. This was due to the state illegally mandating that all health care plans subject to regulation by the California Department

of Managed Health Care cover abortion without exclusion or limitation. Furthermore, if California did not come into compliance, additional disallowances would be imposed at a rate of \$200 million per quarter. In a Vermont case, receipt of federal funds because of discrimination against an employee who refused to participate in abortions was threatened. I mention this because of the potential fiscal effect on the State of Missouri if one of these proposals was passed.

So as not to overlook the obvious, the proposals if passed would surely make abortions easier in this state, depriving the state of countless future taxpaying citizens. These persons, if allowed to live, would work, create and staff businesses, produce products, and in general contribute to the economy. A growing population encourages others to move here which in turn results in additional fiscal activity. And, although much of the above addresses Medicaid costs, since fewer workers will be around to contribute to the Medicare system, this system will be under fiscal stress also.

These are only some of the immediate, short-term, and permanent unfortunate fiscal consequences to State and local government if any of the proposals pass.

Thank you for considering this information.

David C. Drury

Attorney at Law

10004 Bellefontaine Road

St. Louis, Missouri 63137

314-868-7460

314-868-3122(fax)

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**Rachel U. Greszler, Senior Research Fellow in Economics, Budgets, and Entitlements,
The Heritage Foundation** provided the following information:

Date: March 17, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

Per Missouri's [fiscal impact](#) provisions, I have prepared the below fiscal note comments on the proposed ballot initiative "A Constitutional Amendment Concerning the Regulation of Abortion" as submitted to your office on March 9, 2023 as initiative petitions 24-077 through 24-087. My comments are my own and should not be construed as representing any official position of the Heritage Foundation.

Missouri is considering laws that would make abortion legal and easily accessible. The State should not take that step, simply because it would result in the death of thousands of innocent human beings. I offer this fiscal note to provide additional reasons that might persuade those who wrongly doubt that unborn human babies are persons.

By significantly reducing the number of births in the state, these laws would reduce the state's population growth and generate short- and long-term impacts on the state's output and its government finances. Abortion laws could also impact individuals' and families' personal finances, health, and wellbeing in ways that affect states revenues and expenses.

Population growth and economic growth go hand in hand so long as the necessary resources and infrastructure are in place to support that growth. Those resources and infrastructure are in place and the U.S. faces an unprecedented labor shortage. Recent declines in fertility rates threaten to reduce population growth and current and future economic growth. Moreover, government debt has created a situation in which the future wellbeing of current residents is dependent upon a growing population and workforce to pay for current debts and for unfunded obligations promised to retirees.

Since 2007, the [total fertility rate](#) in the U.S. declined from 2.11 births per woman (right at replacement rate) to just 1.66 births per woman in 2021. Missouri's total fertility rate declined from 2.08 in 2007 to 1.60 in 2021.

Compared to current law (in which abortion is illegal in Missouri except in instances in which the woman's life is in danger or her health is severely compromised), the proposed laws could

lead to an additional [2,000 to 9,000 abortions per year](#) in Missouri, depending on how expansive abortion access would become.¹ Based on population projections from the Census Bureau, and assuming a one-for-one correlation between increased abortions and reduced population, the proposed abortion laws could reduce Missouri's projected population by 0.3 percent to 1.4 percent over the next 10 years and by 0.6 percent to 2.7 percent over the next 20 years.

The state needs to consider the following potential effects of abortion-induced population decline in its impact analysis:

A reduced labor force. Fewer births and a smaller population means a smaller future labor force. While proponents of abortion make the economic case that abortion enables women to work and earn more, the additional measurable work and earnings of women as a result of having an abortion is miniscule compared to the potential lifetime work and earnings of another human being. Moreover, while having a child can reduce mothers' work and earnings, it tends to increase fathers' work and earnings—a factor that is ignored in abortion advocates economic claims.

Healthcare strain. Already, the U.S. faces [serious shortages](#) of healthcare workers and the population is continuing to age. Young people (those who would be aborted over the coming decades as a result of the proposed laws) consume very little healthcare, and as they reach working age, they are net providers of healthcare. This means the proposed laws could exacerbate healthcare worker shortages, limit Missourians' [access to healthcare](#), and potentially drive up the state's [healthcare costs](#) as shortages lead to higher prices. With Medicaid being Missouri's largest budgetary item (in FY 2022, Missouri's Medicaid spending was 74 percent greater than its K-12 education spending), and the state being limited by the federal government in its ability to reduce Medicaid spending, higher healthcare costs could impose significant budget constraints.

Reduced tax revenues. In the immediate future, fewer children born in Missouri could reduce sales and real estate tax revenues because households with children spend more and tend to live in higher-value housing. While the income tax revenues of women who have children could be lower if they work less after having children, the work and [earnings of men](#) tend to rise after they have children. In the decades following increased abortions, the absence of potentially tens of thousands of workers would lead to reduced income tax revenues. Although some state expenses are proportional to the number of residents and would decline over time, many expenses are not, and declining revenues would necessitate higher taxes or spending cuts.

Exacerbated unfunded pensions and other post-employment benefits. Depending on different assumptions and risk levels, Missouri has between [\\$36 billion](#) and [\\$171 billion](#) in unfunded pension and [other post-employment benefits](#). That is money that has already been promised to public sector workers and retirees, but which has not been set aside to provide those benefits. The American Legislative Exchange Council estimates that Missouri's unfunded pension liabilities alone amount to [\\$26,965 per capita](#) in 2021, and these unfunded liabilities are

¹ Estimated increase based on the number of abortions in Missouri, as reported by the [Missouri Department of Health and Senior Services](#) and the [Guttmacher Institute](#), reporting roughly 9,000 abortions around 2000-2001 and about 2,000 abortions around 2020-2021.

continuing to grow. The fewer people Missouri has, the larger the per-capita liabilities become, and the harder it will be to raise taxes on workers and employers without them moving to other states. Among many consequences, [economic analysis](#) shows that unfunded pension obligations lead to lower real estate values, which would reduce property tax revenues.

Conclusion

It is an unquestionable fact that the U.S. Constitution requires all state and local governments to uphold Americans' most fundamental natural rights, including that of the right to life. Not counting unborn humans as living beings and treating abortion as an exercise in economic eugenics is an assault on these rights and values.

Even then, the fiscal and economic perspectives of abortion advocates are lacking sufficient economic rigor. I offer this fiscal analysis that provides good reasons to reject the proposed amendments on premises that abortion advocates may be able to accept.

The proposed laws to legalize and expand abortion access in Missouri warrant a properly conducted fiscal analysis. As a part of the debate, policymakers must consider how increased abortions will affect Missouri's population, workforce, fundamental services such as healthcare, the states tax revenues and expenditures, and Missouri's ability to make good on its unfunded pension and other post-employment benefit obligations.

Respectfully,

Rachel U. Greszler
Senior Research Fellow in Economics, Budgets, and Entitlements
The Heritage Foundation
214 Massachusetts Ave, NE
Washington, DC 20002
Email: rachel.greszler@heritage.org

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The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.**

Fiscal Note Summary

State governmental entities estimate no costs or savings, but unknown impact. Local governmental entities estimate costs of at least \$51,000 annually in reduced tax revenues. Opponents estimate a potentially significant loss to state revenue.



JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

RECEIVED

MAR 09 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Anna Fitz-James regarding a proposed constitutional amendment to Article I, version 5 (2024-081)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Anna Fitz-James on March 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

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Ashcroft

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

My Commission Expires: _____ (Seal)

NOTICE: The proposed amendment revises Article I of the Constitution by adopting one new Section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article I of the Constitution is revised by adopting one new Section to be known as Article I, Section 36 to read as follows:

Section 36. 1. This Section shall be known as “The Right to Reproductive Freedom Initiative.”

2. The Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom, which is the right to make and carry out decisions about all matters relating to reproductive health care, including but not limited to prenatal care, childbirth, postpartum care, birth control, abortion care, miscarriage care, and respectful birthing conditions.

3. The right to reproductive freedom shall not be denied, interfered with, delayed, or otherwise restricted unless the Government demonstrates that such action is justified by a compelling governmental interest achieved by the least restrictive means. Any denial, interference, delay, or restriction of the right to reproductive freedom shall be presumed invalid. For purposes of this Section, a governmental interest is compelling only if it is for the limited purpose and has the limited effect of improving or maintaining the health of a person seeking care, is consistent with widely accepted clinical standards of practice and evidence-based medicine, and does not infringe on that person’s autonomous decision-making.

4. Notwithstanding subsection 3 of this Section, the general assembly may enact laws that regulate the provision of abortion after 24 weeks of gestation, as measured from the first day of the patient’s last menstrual period consistent with accepted clinical standards, provided that under no circumstance shall the Government deny, burden, or otherwise restrict an abortion that, in the good faith judgment of a treating health care professional, is needed to protect the life or physical or mental health of the pregnant person or is of a nonviable pregnancy.

5. No person shall be penalized, prosecuted, or otherwise subjected to adverse action based on their actual, potential, perceived, or alleged pregnancy outcomes, including but not limited to miscarriage, stillbirth, or abortion. Nor shall any person assisting any individual in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, otherwise subjected to adverse action for doing so.

6. Notwithstanding this Section, the general assembly may enact laws that require a health care professional, before providing an abortion to a minor, obtain consent from a parent or guardian of the minor, provided that such law shall permit the health care professional to provide the abortion without such consent if, in the good faith judgment of a health care professional:

(1) obtaining consent may lead to physical or emotional harm to the minor;

(2) the minor is mature and capable of consenting to an abortion; or

(3) obtaining consent would not be in the best interest of the minor.

7. The Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.

8. Nothing in this Section requires government funding of abortion procedures.

9. If any provision of this Section or the application thereof to anyone or to any circumstance is held invalid, the remainder of those provisions and the application of such provisions to others or other circumstances shall not be affected thereby.

10. For purposes of this Section, the term “Government” means:

(1) the state of Missouri; or

(2) any municipality, city, town, village, township, district, authority, public subdivision or public corporation having the power to tax or regulate, or any portion of two or more such entities within the state of Missouri.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-081)**

Subject

Initiative petition from Anna Fitz-James regarding a proposed constitutional amendment to Article I. (Received March 9, 2023)

Date

March 29, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Susan Klein, Executive Director, Missouri Right to Life provided information to the State Auditor's office.

Samuel H. Lee, Campaign Life Missouri provided information to the State Auditor's office.

David C. Drury, Attorney at Law provided information to the State Auditor's office.

Rachel U. Greszler, Senior Research Fellow in Economics, Budgets and Entitlements, The Heritage Foundation provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-081 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated changes to the bill are as follows:

Initiative petition 24-081 is identical to 24-077 with the following exceptions:

Adds new Section 36.4, which states "Notwithstanding subsection 3 of this Section, the general assembly may enact laws that regulate the provision of abortion after 24 weeks of gestation, as measured from the first day of the patient's last menstrual period consistent with accepted clinical standards, provided that under no circumstance shall the Government deny, burden, or otherwise restrict an abortion that, in the good faith judgement of a treating health care professional, is needed to protect the life or physical or mental health of the pregnant person or is of a nonviable pregnancy."

Adds new Section 36.6, which states "Notwithstanding this Section, the general assembly may enact laws that require a health care professional, before providing an abortion to a minor, obtain consent from a parent or guardian of the minor, provided that such law shall

permit the health care professional to provide the abortion without consent if, in the good faith judgement of a health care professional: (1) obtaining consent may lead to physical or emotional harm to the minor, (2) the minor is mature and capable of consenting to an abortion; or (3) obtaining consent would not be in the best interest of the minor."

Removes "other than as required by federal law" from Section 36.8 (Section 36.6 in 24-077)

Comments:

The fiscal impact for 24-081 is the same as the fiscal impact for 24-077 and is as follows:

- FY 2024 General Revenue: (\$0 to Unknown)
- FY 2025 General Revenue: (\$0 to Unknown)
- FY 2026 General Revenue: (\$0 to Unknown)

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article I.

Officials from the **Department of Revenue** indicated the initiative petition does not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to reproductive issues does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-081 has no anticipated fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to reproductive issues does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office is anticipated.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated in reviewing initiative petition 24-081 it has been determined there will be an increased cost to the County of Greene due to loss of tax revenue if voters vote to amend Article I.

The Missouri Department of Health & Senior Services recorded 135 "resident abortions" for Greene County in 2020 and 118 in 2021. The population of Greene County per the 2020 United States census was 298,915. (<https://www.census.gov/quickfacts/fact/table/greene-county-missouri/PST045221>)

In terms of economic impact, Greene County received \$112,673,249 in sales and property taxes for calendar year 2022 (**\$376.94** per capita based on **2020** census data). Accordingly, calculations from these figures indicate an annual loss in population of **135** represents a cost to the County of **\$50,886.90**; an increase in abortion statistics could reasonably be extrapolated to illustrate less tax collections and revenues over the years of potential working lifetimes.

Please see the attached table demonstrating the anticipated yearly on per capita basis and the overall fiscal impact on Greene County tax collections and revenues based on the recorded abortions in 2020 by Missouri Department of Health and Senior Services.

Additional research regarding the broader fiscal impact of lower fertility rates on local and state communities and government budgets may be found here:

- <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/12/the-long-term-decline-in-fertility-and-what-it-means-for-state-budgets>

Greene County Collections in 2022	
2020 Population	298,915
Total Sales Tax Collected	126,986,094.91
Parks I	(8,226,052.01)
Parks II	(8,773,337.47)
Dan Kinney Bond from Parks I	(551,342.50)
LEST	(11,631,863.21)
Strafford TIF	(24,374.44)
Springfield Plaza TIF	(174,240.83)
Sales Tax Subtotal	97,604,884.45
Real Estate Tax	12,222,341.99
Personal Property Tax	2,846,022.58
Property Tax SubTotal	15,068,364.57
Total Taxes	112,673,249.02
Per Capita	376.94
Annual lost population	135
Annual Cost	50,886.90

Officials from **St. Louis County** indicated this has no fiscal impact on their county.

Officials from the **City of Jefferson City** indicated they do not think there would be a direct fiscal impact to the City of Jefferson imposed by Initiative Petition 24-081 proposing to amend Article I. There could be an indirect fiscal impact resulting from increased lawsuits related to violations of the act.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and believe the initiative would have no direct cost or revenue impact.

Susan Klein, Executive Director, Missouri Right to Life provided the following information:



PO Box 651
Jefferson City, MO 65102
573-635-5110
www.missourilife.org

March 15, 2023

Office of the Missouri State Auditor
The Honorable Scott Fitzpatrick
301 West High Street, Room 880
Jefferson City, MO 65102

Dear Auditor Fitzpatrick,

On behalf of the Members, Board and Staff of Missouri Right to Life, I submit to you our comments for consideration and inclusion in the fiscal note you will be preparing regarding the effects to the State of Missouri and its Local Governments of Initiative Petition(s) 2024-077 through 2024-087.

The Petitions Would Create Devastating Impacts for Missouri's Budget:

On March 8, 2023, 11 proposed initiative petitions (2024-077 through 2024-087) were filed with the Missouri Secretary of State's Office by Anna Fitz-James for a campaign committee called "Missourians for Constitutional Freedom." While each initiative petition has some slight variations, they are all identical in their purpose and their fiscal effects to General Revenue, Federal Funds, and Other Funds received by the State of Missouri and the impact to local governments.

The fiscal effects of some of the impacts of the petition(s) follow:

- **Abortion Injuries, Sanctions, Litigation and Loss of Federal Funding:** The petition will allow for abortions to be performed up until the moment of birth and possibly beyond. In addition to the loss of the life of the unborn child and the ending of his or her priceless contributions to our state and society, surgical and chemical abortions have risks and complications to the health of the mother. The cost impacts of surgical and medical abortion physical injuries would result in a devastating impact to Missouri's balanced budget due to an expansion of costs for Missouri's state and Federally-funded healthcare programs. In addition, women endure emotional trauma after an abortion. A massive increase in funding for mental health services would be required. Under current Federal law, states are barred from using Federal funds to pay for abortions except in limited cases (the Hyde Amendment). Federal funding could be in jeopardy and Missouri could be subject to the risk of litigation and sanctions, including the possibility of deferral or disallowance of federal financial participation in Missouri's Medicaid program. In 2019, more than \$7.2 billion in Federal funds were budgeted for Mo HealthNet services (Department of Social Services, Department of Mental Health, and Department of Health and Senior Services). The loss of these funds would be devastating to Missouri.

- **Loss of Licensing Fee Revenues/Penalties:** The petition will allow for anyone to perform an abortion with no penalty, prosecution or adverse action for performing the abortion. An abortion provider would no longer have a reason to maintain his or her license with the State of Missouri (and anyone who chose to perform an abortion would be protected under the Constitution to do so without any regulations or consequences). Missouri laws and regulations would be nullified, and licensing fees normally collected would decline.
- **Rural Hospitals Impacted:** Rural hospitals are already struggling. The petition will allow anyone to perform an abortion with no penalty, prosecution or regulation, and will result in a skyrocketing number of women injured by abortion who will need emergency services, flooding Emergency Rooms and health clinics and limiting or delaying access to emergency healthcare services needed by other individuals. This will result in a fiscal impact to the state. The state will also experience a fiscal impact through staff shortages as abortion-injured state employees seek medical care, surgery and recovery time off work to manage complications of abortion.
- **Missouri Could Face a Budgetary Crisis Due to Loss of Federal Funding from Violating Federal Conscience Laws:** The petition will force Missouri to be out of compliance with Federal conscience laws. This could result in the loss of billions of dollars of Federal funding, litigation and sanctions. If the Federal Government sanctions Missouri due to these violations, this will be devastating and create a budgetary crisis in Missouri. The state will also experience a fiscal impact through staff shortages as state employees flee state jobs where they feel their conscience is violated due to being forced to assist with an abortion.
- **Abortions Funded With Public Tax Dollars:** The petition will allow for the funding of abortions with public tax dollars. The language does not prohibit government funding of abortion procedures or of abortion providers. This would result in a massive fiscal impact to Missouri's balanced budget.
- **Constitutional Protections for Human Traffickers:** The petition will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion. This would result in Constitutional protections for child sex traffickers who impregnate their victims and coerce them into an abortion and would render ineffective Missouri law enforcement, prosecution and justice efforts tasked with upholding our Constitution and laws. The petition could hamper the Federal Government's efforts under The Trafficking Victims Protection Act of 2000 and other Federal laws and could result in sanctions from any Federal funding that Missouri would otherwise be eligible to receive.
- **Sex Changes, et. al, Funded With Public Tax Dollars:** The petition, under the guise of "The Right to Reproductive Freedom," will allow the funding of sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars. This would result in a massive fiscal impact to Missouri's balanced budget.

In summary, any fiscal note of the petition(s) should contain the following language and should also include the estimated fiscal net effects to the State of Missouri and its local government:

This initiative petition (a) will allow for abortions to be performed up until the moment of birth and possibly beyond, which would put Missouri in jeopardy of losing billions of dollars of Federal funding and create an unplanned strain on the state's General Revenue, Other and Local Funds as a result of abortion injuries, sanctions, litigation, loss of licensing fee/penalty revenues, and overloaded emergency rooms and healthcare facilities, (b) will put Missouri in violation of Federal conscience laws, which could result in a loss of billions of dollars of Federal funding and an increase of state and local government employee vacancies and litigation due to exercising their rights of conscience, (c) will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion, thereby creating Constitutional protections for Human Traffickers which could result in a loss of Federal funding, and (d) will allow for the funding of abortions, sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars which would result in a massive fiscal impact to the State of Missouri and its local government budgets.

Sincerely,

A handwritten signature in black ink that reads "Susan Klein". The signature is fluid and cursive, with the first name "Susan" and last name "Klein" clearly legible.

Susan Klein
Executive Director
Missouri Right to Life

Samuel H. Lee, Campaign Life Missouri provided the following information:



Samuel Lee
Director

March 16, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

In accordance with the provisions of [section 116.175](#), this is a proposed statement of the fiscal impact of the 11 initiative petitions numbered 24-077 through 24-087, which your office received on March 9, 2023.

To summarize, the proposed ballot measures – all of which would amend the Missouri Constitution – could result in:

- A decrease in federal Medicaid revenues by an unknown amount, up to \$12.5 billion annually.
- Increased costs to taxpayers of unknown amounts, because of medical treatment of, or other services for, children or adults injured by abortions, sex-change operations, genital mutilation or other unspecified “reproductive health care” performed by unlicensed or untrained persons.
- Increased costs of an unknown amount to the Department of Health and Senior Services for the inspection and licensing of thousands of abortion facilities.
- Loss of revenue of unknown amounts to the state and its political subdivisions, because of boycotts of businesses, shopping, tourism or other revenue-generating activities, as a result of Missouri becoming the Midwest’s “abortion destination” state.
- Long-term loss of revenues of unknown amounts to the state and its political subdivisions, because of a decrease in the workforce due to the number of children who are aborted before birth. Also, because of individuals who can no longer work after they become disabled as a result of unsafe abortions, sex-change operations, genital mutilation or other unspecified, unsafe “reproductive health care.” But more important than fiscal costs, the human cost to Missouri’s citizens is unimaginable.

Former-Auditor Galloway made a comparable analysis of the fiscal impacts when she issued her fiscal note and fiscal note summary on [HB 126 \(20-R001 on June 19, 2019\)](#) – the subject of a

referendum that year. Her fiscal note summary became part of the [official ballot title certified by Secretary of State on August 14, 2019](#), for the referendum on HB 126.

Supporting Information on Fiscal Impact of the 11 Initiative Petitions:

- The loss of federal Medicaid matching dollars, which in the proposed fiscal year 2024 budget **would be a loss of nearly \$12.5 billion**.
 - In FY 2023, Missouri lawmakers appropriated about \$16.9 billion for Medicaid (MO HealthNet) across state agencies. [The majority of Medicaid financing in 2023 – \\$10.6 billion – came from federal matching funds](#). The governor’s proposed budget for MO HealthNet for FY 2024 is nearly \$19.3 billion – [almost \\$12.5 billion which would come from federal funds](#).
 - The loss of federal Medicaid matching funds could occur if Missouri is out of compliance with federal Medicaid requirements, for example:
 - If the state cuts off Medicaid reimbursements to Catholic hospitals. This could be a result of the requirement in the initiative petitions that the “Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom.” This might include the state requiring Medicaid providers to sterilize patients, dispense puberty blockers or remove sex organs during sex-change operations.
 - This might also include the state requiring hospitals to participate in the horrendous practice of genital mutilation, currently prohibited by state law under [section 568.065](#), and for which no defense is allowed for “a matter of custom, ritual or standard practice, or [by] consent to the conduct by the child.”
 - But because of the broad-based definition of “reproductive health care” in the 11 initiative petitions (“including but not limited to”), state courts could easily find that genital mutilation is constitutionally protected activity, and strike down existing law.
 - However, for the state government to require Catholic health care providers (or others) to provide these procedures, it would be a violation of their conscience rights – for which the federal government could withhold from the state, Medicaid matching dollars.
 - For example, in California in 2020, [HHS disallowed \\$200 million in federal Medicaid matching funds per quarter due to the state’s unlawful abortion insurance mandate](#), which forced a Catholic order of religious sisters and a non-profit Christian Church to provide abortion health insurance coverage. See also:
 - [“The Fight Over California’s Abortion Coverage Mandate,” Regulatory Review](#), February 3, 2021 (“Can a state require that all health plans offered to its residents cover elective abortions? The federal government thinks not, and the state of California is poised to lose at least \$200 million in Medicaid dollars because it insists that health plans in its state cover abortion services.”)

- [“Federal agency says UVM Med Center forced nurse to assist in abortion,” VT Digger](#), August 28, 2019 (“The U.S. Department of Health and Human Services has accused the University of Vermont Medical Center of forcing a nurse to assist in an abortion procedure despite the nurse’s religious objections. ... The [letter from Roger Severino](#), the director of HHS’ Office for Civil Rights, asks the hospital to adjust its policies or face losing the federal funding it receives from HHS.”)
- There might be additional circumstances where state compliance with at least some of the proposed constitutional amendments would force the state to be out of compliance with federal Medicaid law, such as the state paying for abortions (or other procedures) with federal funds that are not permitted to be reimbursed under federal law. For example, the state might be compelled by the terms of some of the initiative petitions to pay for all abortions for all Medicaid-eligible females, because failing to do so might “discriminate against persons” if the state is paying for the labor and delivery of children for all Medicaid-eligible females. In other words, under the state constitution, Missouri might no longer be [“permitted to enact persuasive measures which favor childbirth over abortion”](#) (*Planned Parenthood v. Casey*, 505 U.S. 833, 886 (1992)). Such non-compliance with federal Medicaid law might also apply to other broad-based, undefined “reproductive health care,” which the state might also be compelled to pay for.
- Under the initiative petitions, the “Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.” “Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, ANY person of ANY age could legally provide, or assist another person in obtaining, an abortion, a sex-change operation, genital mutilation or other unspecified “reproductive health care.” **This could result in numerous, life-altering medical complications to the child or adult who underwent the “reproductive health care.”** Especially with abortion – particularly for abortions performed later in pregnancy – this could result in huge medical costs for her and her child **that are ultimately paid for by taxpayers.**
 - Regarding abortion, in Missouri, the [cost of inpatient medical procedures and emergency department services for treating “issues before childbirth with complications”](#) is a **median charge per person of \$11,977** – with a minimum charges of \$4,140 and a **maximum charge of \$35,345.**
 - And the cost could be even higher for an abortion-related ER visit. [One recent study](#) found that a “[p]atient concealment and/or physician failure to identify a prior abortion during an ER visit is a significant risk factor for a subsequent hospital admission.” In fact, “[c]hemical abortion patients whose abortions are misclassified

- as miscarriages during an ER visit subsequently experience on average 3.2 hospital admissions within 30 days. 86% of the patients ultimately have surgical removal of retained products of conception (RPOC).”
- According to the CDC, in 2020, nearly 10,000 Missouri residents obtained abortions ([9,980 total, but only 167 within the state](#)). Having unlicensed, non-medical personnel permitted to perform or induce abortions within the state on even a fraction of these 10,000 girls or women could result in untold harm to them now – and harm to their future health and fertility.
 - And there might be additional costs to the state or political subdivisions beyond treating the complications to girls or women from being provided abortions by non-physicians or even non-medical personnel. Any low-birthweight infant born alive after a late-term abortion could need long-term NICU care and possibly permanent assistance throughout childhood and during his or her adult life.
 - According to a [2020 New York Times story](#): “The March of Dimes estimates that the average societal cost of each preterm birth, which includes medical care, early intervention services and lost productivity, is \$65,000.”
 - That same story reported on a cost of \$4 million in NICU costs for triplets who were born prematurely.
 - [Preterm birth lifetime costs in the United States](#) (as of 2016) were “estimated to be \$25.2 billion: \$17.1 billion for medical care of persons born preterm, \$2.0 billion for delivery care, \$1.3 billion for early intervention and special education, and \$4.8 billion in lost productivity due to associated disabilities in adults.”
- **Other costs could be the licensing and inspection of multiple locations (potentially thousands of sites) as “abortion facilities,” as required under Missouri law.** This is because [section 197.205](#) requires that no person or governmental unit shall establish, conduct or maintain an abortion facility in the state without a license issued by the Missouri Department of Health and Senior Services (DHSS).
 - [Section 188.015](#) defines an “abortion facility” as “a clinic, physician’s office, or any other place or facility in which abortions are performed or induced other than a hospital”.
 - [Section 197.230](#) states that “[i]n the case of any abortion facility, the department [of health and senior services (DHSS)] shall make or cause to be made an unannounced on-site inspection and investigation at least annually.” Such on-site inspections and investigations must include a variety of areas relating to staffing and equipment to respond to medical emergencies, compliance with Missouri’s abortion laws and the requirement that continuous physician services or registered professional nursing services are to be provided whenever a patient is in the facility.
 - There are [more than 7,000 licensed pharmacists in Missouri](#), and under the proposed constitutional amendment, any pharmacy (or other place) where a pharmacist provides abortion pills, DHSS would be required to inspect and license. **This would**

be an enormous cost to the department and to taxpayers. And any other place where abortion pills would be provided (homes, schools, vending machines, doctor's offices, clinics, etc.) would also have to be inspected at least once a year and licensed.

- **Economic boycotts of Missouri and its businesses could result if the “Show-Me” state becomes the “Abort-Me” state, once it is transformed into the Midwest’s “abortion destination” – a distinct possibility since Missouri is “within a day’s reach of half of U.S. households”.**
 - Just as some pro-abortion advocates in other states are promoting boycotts of states like Missouri that currently protect unborn children from abortion, pro-life advocates in other states might boycott by no longer purchasing from Missouri businesses, or engaging in travel, tourism or shopping in Missouri. How tragic that would be for Missouri, which has been described as one of the top pro-life states in the country.
 - Some “red” states have been prohibiting or attempting to prohibit their governmental entities from doing business with financial firms in other states that take environmental, social and corporate governance (ESG) into consideration, and those same states and additional ones might extend that to any “abortion destination” state – which is what Missouri could become if any one of the 11 initiative petitions is enacted into law.
 - “Missouri tourism provides a \$13.5 billion economic impact that creates more than 257,000 jobs in the state,” according to the Missouri Division of Tourism. It could be a devastating loss to the state and its residents if Missouri became the abortion capital of the Midwest.
- By some estimates, the economic cost to the U.S. of abortion in 2019 – due to the loss of nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of GDP. **Missouri could experience increased economic loss if the number of abortions increases in the state.** And unsafe, legal abortions in the state could result in the disability of countless women who – perhaps permanently – would be unable to enter or remain in the workforce.
 - According to a June 15, 2022 report of the Joint Economic Committee – Congressional Republicans *The Economic Cost of Abortion* – the economic cost of an abortion due to the loss of unborn lives is 425 times larger than the earnings loss mothers could be expected to incur when having a child.”
 - According to a key finding in the report: “In the long run, abortion shrinks the labor force, stunts innovation, and limits economic growth. It also weakens the solvency of social insurance programs like Social Security and Medicare that rely on workers to support a growing elderly population.”
 - And as the International Planned Parenthood Federation has noted: “**Unsafe abortions** are performed by un- or under-trained providers ... It is possible to have an unsafe, legal abortion.” (underlining added)

- Under the initiative petitions, “any person assisting a person in exercising their right to reproductive freedom” shall not “be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, unlicensed, untrained persons of ANY age could perform unsafe, legal abortions or other “reproductive health care,” and the “Government shall not discriminate against persons ... in doing so.” While the economic cost of this policy is incalculable, more important and horrifying, the human cost to Missouri’s citizens is unimaginable.

Auditor Fitzpatrick, if we can be of further assistance, please do not hesitate to contact us.

Sam

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David C. Drury, Attorney at Law provided the following information:

Dear Auditor Fitzpatrick:

I am a licensed attorney in the St. Louis Metropolitan area who has practiced law here for the last fifty years.

Eleven similar proposals to destroy major Missouri laws which have existed for decades are being suggested by petition numbers 2024-077 to 2024-087.

As you are aware, section 116.175 et al requires that a fiscal note and fiscal note summary state a measure's estimated cost or savings to any state or local governmental entity. In general, a strong fiscal outlook is an essential foundation for a growing, thriving economy. The gap between income and spending is subsequently closed by government borrowing, something to ideally be avoided. Moreover, voters, especially in this conservative state, should be informed and educated of the costs of measures so radical they reverse and erase in one fell swoop the studied product of elected representatives. Indeed, the cost of a proposal may be the reason a voter decides against it.

As commented, the above proposals, although different in some respects, all contain much identical language. For example, the Preamble and first three numbered paragraphs (except 077 uses the word "entails" in line 2 or paragraph 2) are the same. All contain a "discrimination" paragraph, a "severability clause, and the definitions of "Government" are copied throughout. Other deletions or additions to the submissions do not detract from the fact that multiple unfavorable fiscal consequences will result if passage of any happens. So, I feel it is fair to say that these comments relate to each and every variation, rather than to repeat the same points one by one, over and over.

Another observation about which no one can reasonably disagree is that these are extremely broad, and being so broad are vague and ambiguous. Applications can be to an expansive variety of situations, all at costs to the state and local governmental agencies. This is especially the case in light of the present political structure of the federal government, and of course many federal monies flow to the State of Missouri. Another way of saying this, although a somewhat different point, is the potential, actually a likelihood, that direction of funding can be "weaponized", so state laws conform to federal ones. Thus, the state of Missouri is "fiscally" affected. The federal government and the states do not exist as if there is a wall in between. Money flows back and forth, and thus a state can easily be targeted and penalized by federal legislative and executive actions.

Most recently as this week President Biden proclaimed that it was "cruel" and "close to sinful" for Florida to ban subjecting children to sex-change procedures. (Not to subject the children, but to ban subjecting the children)! The aforesaid ballot proposals insist that the "right to reproductive freedom" shall not be denied, interfered with, delayed, or otherwise restricted, and governmental action should be deemed invalid. The ballot also uses language in paragraph 2 of all versions the clause "not limited to". It would thus appear that the subject of sex-change procedures, is included. Similarly, some of the

suggested versions require no parental or guardian consent whatsoever, and others only superficially address the subject with a sure-fire exception that a health care professional (not even a treating physician) can approve an abortion without consent if he/she thinks that getting consent may lead to emotional harm to the minor. All of the proposals do not even require that a physician is necessary to provide medical care. In fact you don't even need any license. Medical malpractice will automatically result. The harm to patients for this poor care, and the cost to the State for care of these patients will be an adverse fiscal result.

All of the above circumstances, would lead responsible hospitals and medical care providers to practice their profession with higher and different standards. And so they would refuse to abide by the above random, and harmful, provisions. Next, we come to the subject of "who is going to pay the bill"? Medicaid, as we know, pays an enormous amount of medical charges. Hospitals and doctors get reimbursed by the State, but the State must comply with federal law. If a State fails to follow the law, for the federal portion, which is over half, it may not get reimbursed. The State suffers fiscally. My numbers are that the State of Missouri receives 12.5 billion in federal Medicaid money.

What if, for example, Cardinal Glennon Hospital in St. Louis refused to perform sex change surgery on a minor, with or without parental consent, in its hospital? It is against its religious beliefs, among many other reasons. Can the hospital be denied Medicaid funds? The text of the proposals require such. The President has just declared that refusing to perform this is "cruel". If the State foots the bill and does not get reimbursed from the federal government, this is a fiscal loss.

Is medical insurance required to pay for "reproductive health care"? If so, these are expensive fiscal consequences of the proposals.

The proposals also yield enormous costs to the State in situations where persons or institutions refuse care against their medical "standard of care" but do not even require a license (creating a breeding ground for malpractice, and all of the expenses that come with it). With Medicaid, the state pays part of the bill, but may not get reimbursed the rest if the proposed bill is not followed. What about the "religious beliefs" of medical care providers. If, for example, Catholic hospitals are penalized, the State of Missouri could also be "fiscally" penalized.

What about the issue of prescribing pills to induce abortion---chemical abortion? Do these proposals mean that all care providers must not deny, restrict, or delay this form of abortion? Is the "government" discriminating against patients by not requiring care providers including pharmacists to dispense the pills? Can they be penalized by withholding of Medicaid payments?

The issue of federal Medicaid funds being disallowed has come up before. In December 2020 HHS and OCR announced that \$200 million in federal Medicaid funds going to California in the upcoming quarter were being denied. This was due to the state illegally mandating that all health care plans subject to regulation by the California Department

of Managed Health Care cover abortion without exclusion or limitation. Furthermore, if California did not come into compliance, additional disallowances would be imposed at a rate of \$200 million per quarter. In a Vermont case, receipt of federal funds because of discrimination against an employee who refused to participate in abortions was threatened. I mention this because of the potential fiscal effect on the State of Missouri if one of these proposals was passed.

So as not to overlook the obvious, the proposals if passed would surely make abortions easier in this state, depriving the state of countless future taxpaying citizens. These persons, if allowed to live, would work, create and staff businesses, produce products, and in general contribute to the economy. A growing population encourages others to move here which in turn results in additional fiscal activity. And, although much of the above addresses Medicaid costs, since fewer workers will be around to contribute to the Medicare system, this system will be under fiscal stress also.

These are only some of the immediate, short-term, and permanent unfortunate fiscal consequences to State and local government if any of the proposals pass.

Thank you for considering this information.

David C. Drury

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**Rachel U. Greszler, Senior Research Fellow in Economics, Budgets, and Entitlements,
The Heritage Foundation** provided the following information:

Date: March 17, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

Per Missouri's [fiscal impact](#) provisions, I have prepared the below fiscal note comments on the proposed ballot initiative "A Constitutional Amendment Concerning the Regulation of Abortion" as submitted to your office on March 9, 2023 as initiative petitions 24-077 through 24-087. My comments are my own and should not be construed as representing any official position of the Heritage Foundation.

Missouri is considering laws that would make abortion legal and easily accessible. The State should not take that step, simply because it would result in the death of thousands of innocent human beings. I offer this fiscal note to provide additional reasons that might persuade those who wrongly doubt that unborn human babies are persons.

By significantly reducing the number of births in the state, these laws would reduce the state's population growth and generate short- and long-term impacts on the state's output and its government finances. Abortion laws could also impact individuals' and families' personal finances, health, and wellbeing in ways that affect states revenues and expenses.

Population growth and economic growth go hand in hand so long as the necessary resources and infrastructure are in place to support that growth. Those resources and infrastructure are in place and the U.S. faces an unprecedented labor shortage. Recent declines in fertility rates threaten to reduce population growth and current and future economic growth. Moreover, government debt has created a situation in which the future wellbeing of current residents is dependent upon a growing population and workforce to pay for current debts and for unfunded obligations promised to retirees.

Since 2007, the [total fertility rate](#) in the U.S. declined from 2.11 births per woman (right at replacement rate) to just 1.66 births per woman in 2021. Missouri's total fertility rate declined from 2.08 in 2007 to 1.60 in 2021.

Compared to current law (in which abortion is illegal in Missouri except in instances in which the woman's life is in danger or her health is severely compromised), the proposed laws could

lead to an additional [2,000 to 9,000 abortions per year](#) in Missouri, depending on how expansive abortion access would become.¹ Based on population projections from the Census Bureau, and assuming a one-for-one correlation between increased abortions and reduced population, the proposed abortion laws could reduce Missouri's projected population by 0.3 percent to 1.4 percent over the next 10 years and by 0.6 percent to 2.7 percent over the next 20 years.

The state needs to consider the following potential effects of abortion-induced population decline in its impact analysis:

A reduced labor force. Fewer births and a smaller population means a smaller future labor force. While proponents of abortion make the economic case that abortion enables women to work and earn more, the additional measurable work and earnings of women as a result of having an abortion is miniscule compared to the potential lifetime work and earnings of another human being. Moreover, while having a child can reduce mothers' work and earnings, it tends to increase fathers' work and earnings—a factor that is ignored in abortion advocates economic claims.

Healthcare strain. Already, the U.S. faces [serious shortages](#) of healthcare workers and the population is continuing to age. Young people (those who would be aborted over the coming decades as a result of the proposed laws) consume very little healthcare, and as they reach working age, they are net providers of healthcare. This means the proposed laws could exacerbate healthcare worker shortages, limit Missourians' [access to healthcare](#), and potentially drive up the state's [healthcare costs](#) as shortages lead to higher prices. With Medicaid being Missouri's largest budgetary item (in FY 2022, Missouri's Medicaid spending was 74 percent greater than its K-12 education spending), and the state being limited by the federal government in its ability to reduce Medicaid spending, higher healthcare costs could impose significant budget constraints.

Reduced tax revenues. In the immediate future, fewer children born in Missouri could reduce sales and real estate tax revenues because households with children spend more and tend to live in higher-value housing. While the income tax revenues of women who have children could be lower if they work less after having children, the work and [earnings of men](#) tend to rise after they have children. In the decades following increased abortions, the absence of potentially tens of thousands of workers would lead to reduced income tax revenues. Although some state expenses are proportional to the number of residents and would decline over time, many expenses are not, and declining revenues would necessitate higher taxes or spending cuts.

Exacerbated unfunded pensions and other post-employment benefits. Depending on different assumptions and risk levels, Missouri has between [\\$36 billion](#) and [\\$171 billion](#) in unfunded pension and [other post-employment benefits](#). That is money that has already been promised to public sector workers and retirees, but which has not been set aside to provide those benefits. The American Legislative Exchange Council estimates that Missouri's unfunded pension liabilities alone amount to [\\$26,965 per capita](#) in 2021, and these unfunded liabilities are

¹ Estimated increase based on the number of abortions in Missouri, as reported by the [Missouri Department of Health and Senior Services](#) and the [Guttmacher Institute](#), reporting roughly 9,000 abortions around 2000-2001 and about 2,000 abortions around 2020-2021.

continuing to grow. The fewer people Missouri has, the larger the per-capita liabilities become, and the harder it will be to raise taxes on workers and employers without them moving to other states. Among many consequences, [economic analysis](#) shows that unfunded pension obligations lead to lower real estate values, which would reduce property tax revenues.

Conclusion

It is an unquestionable fact that the U.S. Constitution requires all state and local governments to uphold Americans' most fundamental natural rights, including that of the right to life. Not counting unborn humans as living beings and treating abortion as an exercise in economic eugenics is an assault on these rights and values.

Even then, the fiscal and economic perspectives of abortion advocates are lacking sufficient economic rigor. I offer this fiscal analysis that provides good reasons to reject the proposed amendments on premises that abortion advocates may be able to accept.

The proposed laws to legalize and expand abortion access in Missouri warrant a properly conducted fiscal analysis. As a part of the debate, policymakers must consider how increased abortions will affect Missouri's population, workforce, fundamental services such as healthcare, the states tax revenues and expenditures, and Missouri's ability to make good on its unfunded pension and other post-employment benefit obligations.

Respectfully,

Rachel U. Greszler
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The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.**

Fiscal Note Summary

State governmental entities estimate no costs or savings, but unknown impact. Local governmental entities estimate costs of at least \$51,000 annually in reduced tax revenues. Opponents estimate a potentially significant loss to state revenue.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

MAR 09 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Anna Fitz-James regarding a proposed constitutional amendment to Article I, version 4 (2024-080)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Anna Fitz-James on March 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

2023 MAR -8 PM 3:20
[Signature]

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

My Commission Expires: _____
(Seal)

NOTICE: The proposed amendment revises Article I of the Constitution by adopting one new Section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article I of the Constitution is revised by adopting one new Section to be known as Article I, Section 36 to read as follows:

Section 36. 1. This Section shall be known as “The Right to Reproductive Freedom Initiative.”

2. The Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom, which is the right to make and carry out decisions about all matters relating to reproductive health care, including but not limited to prenatal care, childbirth, postpartum care, birth control, abortion care, miscarriage care, and respectful birthing conditions.

3. The right to reproductive freedom shall not be denied, interfered with, delayed, or otherwise restricted unless the Government demonstrates that such action is justified by a compelling governmental interest achieved by the least restrictive means. Any denial, interference, delay, or restriction of the right to reproductive freedom shall be presumed invalid. For purposes of this Section, a governmental interest is compelling only if it is for the limited purpose and has the limited effect of improving or maintaining the health of a person seeking care, is consistent with widely accepted clinical standards of practice and evidence-based medicine, and does not infringe on that person’s autonomous decision-making.

4. Notwithstanding subsection 3 of this Section, the general assembly may enact laws that regulate the provision of abortion after 24 weeks of gestation, as measured from the first day of the patient’s last menstrual period consistent with accepted clinical standards, provided that under no circumstance shall the Government deny, burden, or otherwise restrict an abortion that, in the good faith judgment of a treating health care professional, is needed to protect the life or physical or mental health of the pregnant person or is of a nonviable pregnancy.

5. No person shall be penalized, prosecuted, or otherwise subjected to adverse action based on their actual, potential, perceived, or alleged pregnancy outcomes, including but not limited to miscarriage, stillbirth, or abortion. Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.

6. Notwithstanding this Section, the general assembly may enact laws that require a health care professional, before providing an abortion to a minor, obtain consent from a parent or guardian of the minor, provided that such law shall permit the health care professional to provide the abortion without such consent if, in the good faith judgment of a health care professional:

(1) obtaining consent may lead to physical or emotional harm to the minor;

(2) the minor is mature and capable of consenting to an abortion; or

(3) obtaining consent would not be in the best interest of the minor.

7. The Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.

8. If any provision of this Section or the application thereof to anyone or to any circumstance is held invalid, the remainder of those provisions and the application of such provisions to others or other circumstances shall not be affected thereby.

9. For purposes of this Section, the term “Government” means:

(1) the state of Missouri; or

(2) any municipality, city, town, village, township, district, authority, public subdivision or public corporation having the power to tax or regulate, or any portion of two or more such entities within the state of Missouri.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-080)**

Subject

Initiative petition from Anna Fitz-James regarding a proposed constitutional amendment to Article I. (Received March 9, 2023)

Date

March 29, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Susan Klein, Executive Director, Missouri Right to Life provided information to the State Auditor's office.

Samuel H. Lee, Campaign Life Missouri provided information to the State Auditor's office.

David C. Drury, Attorney at Law provided information to the State Auditor's office.

Rachel U. Greszler, Senior Research Fellow in Economics, Budgets and Entitlements, The Heritage Foundation provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-080 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated changes to the bill are as follows:

Initiative petition 24-080 is identical to 24-077 with the following exceptions:

Adds new Section 36.4, which states "Notwithstanding subsection 3 of this Section, the general assembly may enact laws that regulate the provision of abortion after 24 weeks of gestation, as measured from the first day of the patient's last menstrual period consistent with accepted clinical standards, provided that under no circumstance shall the Government deny, burden, or otherwise restrict an abortion that, in the good faith judgement of a treating health care professional, is needed to protect the life or physical or mental health of the pregnant person or is of a nonviable pregnancy."

Removes Section 36.6, which states "Nothing in this Section requires government funding of abortion procedures other than as required by federal law."

Adds new Section 36.6, which states "Notwithstanding this Section, the general assembly may enact laws that require a health care professional, before providing an abortion to a minor, obtain consent from a parent or guardian of the minor, provided that such law shall permit the health care professional to provide the abortion without consent if, in the good faith judgement of a health care professional: (1) obtaining consent may lead to physical or emotional harm to the minor, (2) the minor is mature and capable of consenting to an abortion; or (3) obtaining consent would not be in the best interest of the minor."

Comments:

The fiscal impact for 24-080 is the same as the fiscal impact for 24-077 and is as follows:

- FY 2024 General Revenue: (\$0 to Unknown)
- FY 2025 General Revenue: (\$0 to Unknown)
- FY 2026 General Revenue: (\$0 to Unknown)

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article I.

Officials from the **Department of Revenue** indicated the initiative petition does not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to reproductive issues does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-080 has no anticipated fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to reproductive issues will not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office is anticipated.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated in reviewing initiative petition 24-080 it has been determined there will be an increased cost to the County of Greene due to loss of tax revenue if voters vote to amend Article I.

The Missouri Department of Health & Senior Services recorded 135 "resident abortions" for Greene County in 2020 and 118 in 2021. The population of Greene County per the 2020 United States census was 298,915. (<https://www.census.gov/quickfacts/fact/table/greenecountymissouri/PST045221>)

In terms of economic impact, Greene County received \$112,673,249 in sales and property taxes for calendar year 2022 (**\$376.94** per capita based on **2020** census data). Accordingly, calculations from these figures indicate an annual loss in population of **135** represents a cost to the County of **\$50,886.90**; an increase in abortion statistics could reasonably be extrapolated to illustrate less tax collections and revenues over the years of potential working lifetimes.

Please see the attached table demonstrating the anticipated yearly on per capita basis and the overall fiscal impact on Greene County tax collections and revenues based on the recorded abortions in 2020 by Missouri Department of Health and Senior Services.

Additional research regarding the broader fiscal impact of lower fertility rates on local and state communities and government budgets may be found here:

- <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/12/the-long-term-decline-in-fertility-and-what-it-means-for-state-budgets>

Greene County Collections in 2022	
2020 Population	298,915
Total Sales Tax Collected	126,986,094.91
Parks I	(8,226,052.01)
Parks II	(8,773,337.47)
Dan Kinney Bond from Parks I	(551,342.50)
LEST	(11,631,863.21)
Strafford TIF	(24,374.44)
Springfield Plaza TIF	(174,240.83)
Sales Tax Subtotal	97,604,884.45
Real Estate Tax	12,222,341.99
Personal Property Tax	2,846,022.58
Property Tax SubTotal	15,068,364.57
Total Taxes	112,673,249.02
Per Capita	376.94
Annual lost population	135
Annual Cost	50,886.90

Officials from **St. Louis County** indicated this has no fiscal impact on their county.

Officials from the **City of Jefferson City** indicated they do not think there would be a direct fiscal impact to the City of Jefferson imposed by Initiative Petition 24-080 proposing to amend Article I. There could be an indirect fiscal impact resulting from increased lawsuits related to violations of the act.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and believe the initiative would have no direct cost or revenue impact.

Susan Klein, Executive Director, Missouri Right to Life provided the following information:



PO Box 651
Jefferson City, MO 65102
573-635-5110
www.missourilife.org

March 15, 2023

Office of the Missouri State Auditor
The Honorable Scott Fitzpatrick
301 West High Street, Room 880
Jefferson City, MO 65102

Dear Auditor Fitzpatrick,

On behalf of the Members, Board and Staff of Missouri Right to Life, I submit to you our comments for consideration and inclusion in the fiscal note you will be preparing regarding the effects to the State of Missouri and its Local Governments of Initiative Petition(s) 2024-077 through 2024-087.

The Petitions Would Create Devastating Impacts for Missouri's Budget:

On March 8, 2023, 11 proposed initiative petitions (2024-077 through 2024-087) were filed with the Missouri Secretary of State's Office by Anna Fitz-James for a campaign committee called "Missourians for Constitutional Freedom." While each initiative petition has some slight variations, they are all identical in their purpose and their fiscal effects to General Revenue, Federal Funds, and Other Funds received by the State of Missouri and the impact to local governments.

The fiscal effects of some of the impacts of the petition(s) follow:

- **Abortion Injuries, Sanctions, Litigation and Loss of Federal Funding:** The petition will allow for abortions to be performed up until the moment of birth and possibly beyond. In addition to the loss of the life of the unborn child and the ending of his or her priceless contributions to our state and society, surgical and chemical abortions have risks and complications to the health of the mother. The cost impacts of surgical and medical abortion physical injuries would result in a devastating impact to Missouri's balanced budget due to an expansion of costs for Missouri's state and Federally-funded healthcare programs. In addition, women endure emotional trauma after an abortion. A massive increase in funding for mental health services would be required. Under current Federal law, states are barred from using Federal funds to pay for abortions except in limited cases (the Hyde Amendment). Federal funding could be in jeopardy and Missouri could be subject to the risk of litigation and sanctions, including the possibility of deferral or disallowance of federal financial participation in Missouri's Medicaid program. In 2019, more than \$7.2 billion in Federal funds were budgeted for Mo HealthNet services (Department of Social Services, Department of Mental Health, and Department of Health and Senior Services). The loss of these funds would be devastating to Missouri.

- **Loss of Licensing Fee Revenues/Penalties:** The petition will allow for anyone to perform an abortion with no penalty, prosecution or adverse action for performing the abortion. An abortion provider would no longer have a reason to maintain his or her license with the State of Missouri (and anyone who chose to perform an abortion would be protected under the Constitution to do so without any regulations or consequences). Missouri laws and regulations would be nullified, and licensing fees normally collected would decline.
- **Rural Hospitals Impacted:** Rural hospitals are already struggling. The petition will allow anyone to perform an abortion with no penalty, prosecution or regulation, and will result in a skyrocketing number of women injured by abortion who will need emergency services, flooding Emergency Rooms and health clinics and limiting or delaying access to emergency healthcare services needed by other individuals. This will result in a fiscal impact to the state. The state will also experience a fiscal impact through staff shortages as abortion-injured state employees seek medical care, surgery and recovery time off work to manage complications of abortion.
- **Missouri Could Face a Budgetary Crisis Due to Loss of Federal Funding from Violating Federal Conscience Laws:** The petition will force Missouri to be out of compliance with Federal conscience laws. This could result in the loss of billions of dollars of Federal funding, litigation and sanctions. If the Federal Government sanctions Missouri due to these violations, this will be devastating and create a budgetary crisis in Missouri. The state will also experience a fiscal impact through staff shortages as state employees flee state jobs where they feel their conscience is violated due to being forced to assist with an abortion.
- **Abortions Funded With Public Tax Dollars:** The petition will allow for the funding of abortions with public tax dollars. The language does not prohibit government funding of abortion procedures or of abortion providers. This would result in a massive fiscal impact to Missouri's balanced budget.
- **Constitutional Protections for Human Traffickers:** The petition will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion. This would result in Constitutional protections for child sex traffickers who impregnate their victims and coerce them into an abortion and would render ineffective Missouri law enforcement, prosecution and justice efforts tasked with upholding our Constitution and laws. The petition could hamper the Federal Government's efforts under The Trafficking Victims Protection Act of 2000 and other Federal laws and could result in sanctions from any Federal funding that Missouri would otherwise be eligible to receive.
- **Sex Changes, et. al, Funded With Public Tax Dollars:** The petition, under the guise of "The Right to Reproductive Freedom," will allow the funding of sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars. This would result in a massive fiscal impact to Missouri's balanced budget.

In summary, any fiscal note of the petition(s) should contain the following language and should also include the estimated fiscal net effects to the State of Missouri and its local government:

This initiative petition (a) will allow for abortions to be performed up until the moment of birth and possibly beyond, which would put Missouri in jeopardy of losing billions of dollars of Federal funding and create an unplanned strain on the state's General Revenue, Other and Local Funds as a result of abortion injuries, sanctions, litigation, loss of licensing fee/penalty revenues, and overloaded emergency rooms and healthcare facilities, (b) will put Missouri in violation of Federal conscience laws, which could result in a loss of billions of dollars of Federal funding and an increase of state and local government employee vacancies and litigation due to exercising their rights of conscience, (c) will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion, thereby creating Constitutional protections for Human Traffickers which could result in a loss of Federal funding, and (d) will allow for the funding of abortions, sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars which would result in a massive fiscal impact to the State of Missouri and its local government budgets.

Sincerely,

A handwritten signature in black ink that reads "Susan Klein". The signature is fluid and cursive, with the first name "Susan" and last name "Klein" clearly legible.

Susan Klein
Executive Director
Missouri Right to Life

Samuel H. Lee, Campaign Life Missouri provided the following information:



Samuel Lee
Director

March 16, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

In accordance with the provisions of [section 116.175](#), this is a proposed statement of the fiscal impact of the 11 initiative petitions numbered 24-077 through 24-087, which your office received on March 9, 2023.

To summarize, the proposed ballot measures – all of which would amend the Missouri Constitution – could result in:

- A decrease in federal Medicaid revenues by an unknown amount, up to \$12.5 billion annually.
- Increased costs to taxpayers of unknown amounts, because of medical treatment of, or other services for, children or adults injured by abortions, sex-change operations, genital mutilation or other unspecified “reproductive health care” performed by unlicensed or untrained persons.
- Increased costs of an unknown amount to the Department of Health and Senior Services for the inspection and licensing of thousands of abortion facilities.
- Loss of revenue of unknown amounts to the state and its political subdivisions, because of boycotts of businesses, shopping, tourism or other revenue-generating activities, as a result of Missouri becoming the Midwest’s “abortion destination” state.
- Long-term loss of revenues of unknown amounts to the state and its political subdivisions, because of a decrease in the workforce due to the number of children who are aborted before birth. Also, because of individuals who can no longer work after they become disabled as a result of unsafe abortions, sex-change operations, genital mutilation or other unspecified, unsafe “reproductive health care.” But more important than fiscal costs, the human cost to Missouri’s citizens is unimaginable.

Former-Auditor Galloway made a comparable analysis of the fiscal impacts when she issued her fiscal note and fiscal note summary on [HB 126 \(20-R001 on June 19, 2019\)](#) – the subject of a

referendum that year. Her fiscal note summary became part of the [official ballot title certified by Secretary of State on August 14, 2019](#), for the referendum on HB 126.

Supporting Information on Fiscal Impact of the 11 Initiative Petitions:

- The loss of federal Medicaid matching dollars, which in the proposed fiscal year 2024 budget **would be a loss of nearly \$12.5 billion**.
 - In FY 2023, Missouri lawmakers appropriated about \$16.9 billion for Medicaid (MO HealthNet) across state agencies. [The majority of Medicaid financing in 2023 – \\$10.6 billion – came from federal matching funds](#). The governor’s proposed budget for MO HealthNet for FY 2024 is nearly \$19.3 billion – [almost \\$12.5 billion which would come from federal funds](#).
 - The loss of federal Medicaid matching funds could occur if Missouri is out of compliance with federal Medicaid requirements, for example:
 - If the state cuts off Medicaid reimbursements to Catholic hospitals. This could be a result of the requirement in the initiative petitions that the “Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom.” This might include the state requiring Medicaid providers to sterilize patients, dispense puberty blockers or remove sex organs during sex-change operations.
 - This might also include the state requiring hospitals to participate in the horrendous practice of genital mutilation, currently prohibited by state law under [section 568.065](#), and for which no defense is allowed for “a matter of custom, ritual or standard practice, or [by] consent to the conduct by the child.”
 - But because of the broad-based definition of “reproductive health care” in the 11 initiative petitions (“including but not limited to”), state courts could easily find that genital mutilation is constitutionally protected activity, and strike down existing law.
 - However, for the state government to require Catholic health care providers (or others) to provide these procedures, it would be a violation of their conscience rights – for which the federal government could withhold from the state, Medicaid matching dollars.
 - For example, in California in 2020, [HHS disallowed \\$200 million in federal Medicaid matching funds per quarter due to the state’s unlawful abortion insurance mandate](#), which forced a Catholic order of religious sisters and a non-profit Christian Church to provide abortion health insurance coverage. See also:
 - [“The Fight Over California’s Abortion Coverage Mandate,” Regulatory Review](#), February 3, 2021 (“Can a state require that all health plans offered to its residents cover elective abortions? The federal government thinks not, and the state of California is poised to lose at least \$200 million in Medicaid dollars because it insists that health plans in its state cover abortion services.”)

- [“Federal agency says UVM Med Center forced nurse to assist in abortion,” VT Digger](#), August 28, 2019 (“The U.S. Department of Health and Human Services has accused the University of Vermont Medical Center of forcing a nurse to assist in an abortion procedure despite the nurse’s religious objections. ... The [letter from Roger Severino](#), the director of HHS’ Office for Civil Rights, asks the hospital to adjust its policies or face losing the federal funding it receives from HHS.”)
- There might be additional circumstances where state compliance with at least some of the proposed constitutional amendments would force the state to be out of compliance with federal Medicaid law, such as the state paying for abortions (or other procedures) with federal funds that are not permitted to be reimbursed under federal law. For example, the state might be compelled by the terms of some of the initiative petitions to pay for all abortions for all Medicaid-eligible females, because failing to do so might “discriminate against persons” if the state is paying for the labor and delivery of children for all Medicaid-eligible females. In other words, under the state constitution, Missouri might no longer be [“permitted to enact persuasive measures which favor childbirth over abortion”](#) (*Planned Parenthood v. Casey*, 505 U.S. 833, 886 (1992)). Such non-compliance with federal Medicaid law might also apply to other broad-based, undefined “reproductive health care,” which the state might also be compelled to pay for.
- Under the initiative petitions, the “Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.” “Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, ANY person of ANY age could legally provide, or assist another person in obtaining, an abortion, a sex-change operation, genital mutilation or other unspecified “reproductive health care.” **This could result in numerous, life-altering medical complications to the child or adult who underwent the “reproductive health care.”** Especially with abortion – particularly for abortions performed later in pregnancy – this could result in huge medical costs for her and her child **that are ultimately paid for by taxpayers.**
 - Regarding abortion, in Missouri, the [cost of inpatient medical procedures and emergency department services for treating “issues before childbirth with complications”](#) is a **median charge per person of \$11,977** – with a minimum charges of \$4,140 and a **maximum charge of \$35,345.**
 - And the cost could be even higher for an abortion-related ER visit. [One recent study](#) found that a “[p]atient concealment and/or physician failure to identify a prior abortion during an ER visit is a significant risk factor for a subsequent hospital admission.” In fact, “[c]hemical abortion patients whose abortions are misclassified

- as miscarriages during an ER visit subsequently experience on average 3.2 hospital admissions within 30 days. 86% of the patients ultimately have surgical removal of retained products of conception (RPOC).”
- According to the CDC, in 2020, nearly 10,000 Missouri residents obtained abortions ([9,980 total, but only 167 within the state](#)). Having unlicensed, non-medical personnel permitted to perform or induce abortions within the state on even a fraction of these 10,000 girls or women could result in untold harm to them now – and harm to their future health and fertility.
 - And there might be additional costs to the state or political subdivisions beyond treating the complications to girls or women from being provided abortions by non-physicians or even non-medical personnel. Any low-birthweight infant born alive after a late-term abortion could need long-term NICU care and possibly permanent assistance throughout childhood and during his or her adult life.
 - According to a [2020 New York Times story](#): “The March of Dimes estimates that the average societal cost of each preterm birth, which includes medical care, early intervention services and lost productivity, is \$65,000.”
 - That same story reported on a cost of \$4 million in NICU costs for triplets who were born prematurely.
 - [Preterm birth lifetime costs in the United States](#) (as of 2016) were “estimated to be \$25.2 billion: \$17.1 billion for medical care of persons born preterm, \$2.0 billion for delivery care, \$1.3 billion for early intervention and special education, and \$4.8 billion in lost productivity due to associated disabilities in adults.”
- **Other costs could be the licensing and inspection of multiple locations (potentially thousands of sites) as “abortion facilities,” as required under Missouri law.** This is because [section 197.205](#) requires that no person or governmental unit shall establish, conduct or maintain an abortion facility in the state without a license issued by the Missouri Department of Health and Senior Services (DHSS).
 - [Section 188.015](#) defines an “abortion facility” as “a clinic, physician’s office, or any other place or facility in which abortions are performed or induced other than a hospital”.
 - [Section 197.230](#) states that “[i]n the case of any abortion facility, the department [of health and senior services (DHSS)] shall make or cause to be made an unannounced on-site inspection and investigation at least annually.” Such on-site inspections and investigations must include a variety of areas relating to staffing and equipment to respond to medical emergencies, compliance with Missouri’s abortion laws and the requirement that continuous physician services or registered professional nursing services are to be provided whenever a patient is in the facility.
 - There are [more than 7,000 licensed pharmacists in Missouri](#), and under the proposed constitutional amendment, any pharmacy (or other place) where a pharmacist provides abortion pills, DHSS would be required to inspect and license. **This would**

be an enormous cost to the department and to taxpayers. And any other place where abortion pills would be provided (homes, schools, vending machines, doctor's offices, clinics, etc.) would also have to be inspected at least once a year and licensed.

- **Economic boycotts of Missouri and its businesses could result if the “Show-Me” state becomes the “Abort-Me” state, once it is transformed into the Midwest’s “abortion destination” – a distinct possibility since Missouri is “within a day’s reach of half of U.S. households”.**
 - Just as some pro-abortion advocates in other states are promoting boycotts of states like Missouri that currently protect unborn children from abortion, pro-life advocates in other states might boycott by no longer purchasing from Missouri businesses, or engaging in travel, tourism or shopping in Missouri. How tragic that would be for Missouri, which has been described as one of the top pro-life states in the country.
 - Some “red” states have been prohibiting or attempting to prohibit their governmental entities from doing business with financial firms in other states that take environmental, social and corporate governance (ESG) into consideration, and those same states and additional ones might extend that to any “abortion destination” state – which is what Missouri could become if any one of the 11 initiative petitions is enacted into law.
 - “Missouri tourism provides a \$13.5 billion economic impact that creates more than 257,000 jobs in the state,” according to the Missouri Division of Tourism. It could be a devastating loss to the state and its residents if Missouri became the abortion capital of the Midwest.
- By some estimates, the economic cost to the U.S. of abortion in 2019 – due to the loss of nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of GDP. **Missouri could experience increased economic loss if the number of abortions increases in the state.** And unsafe, legal abortions in the state could result in the disability of countless women who – perhaps permanently – would be unable to enter or remain in the workforce.
 - According to a June 15, 2022 report of the Joint Economic Committee – Congressional Republicans’ *The Economic Cost of Abortion* – the economic cost of an abortion due to the loss of unborn lives is 425 times larger than the earnings loss mothers could be expected to incur when having a child.”
 - According to a key finding in the report: “In the long run, abortion shrinks the labor force, stunts innovation, and limits economic growth. It also weakens the solvency of social insurance programs like Social Security and Medicare that rely on workers to support a growing elderly population.”
 - And as the International Planned Parenthood Federation has noted: “**Unsafe abortions** are performed by un- or under-trained providers ... It is possible to have an unsafe, legal abortion.” (underlining added)

- Under the initiative petitions, “any person assisting a person in exercising their right to reproductive freedom” shall not “be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, unlicensed, untrained persons of ANY age could perform unsafe, legal abortions or other “reproductive health care,” and the “Government shall not discriminate against persons ... in doing so.” While the economic cost of this policy is incalculable, more important and horrifying, the human cost to Missouri’s citizens is unimaginable.

Auditor Fitzpatrick, if we can be of further assistance, please do not hesitate to contact us.

Sam

Samuel H. Lee
Campaign Life Missouri
P.O. Box 142585
St. Louis, MO 63114-0585
(314) 368-4242
Email: samuelhlee@mindspring.com
Twitter: [@samuelhlee](https://twitter.com/samuelhlee)



P.O. Box 142585 • St. Louis, MO 63114-0585

David C. Drury, Attorney at Law provided the following information:

Dear Auditor Fitzpatrick:

I am a licensed attorney in the St. Louis Metropolitan area who has practiced law here for the last fifty years.

Eleven similar proposals to destroy major Missouri laws which have existed for decades are being suggested by petition numbers 2024-077 to 2024-087.

As you are aware, section 116.175 et al requires that a fiscal note and fiscal note summary state a measure's estimated cost or savings to any state or local governmental entity. In general, a strong fiscal outlook is an essential foundation for a growing, thriving economy. The gap between income and spending is subsequently closed by government borrowing, something to ideally be avoided. Moreover, voters, especially in this conservative state, should be informed and educated of the costs of measures so radical they reverse and erase in one fell swoop the studied product of elected representatives. Indeed, the cost of a proposal may be the reason a voter decides against it.

As commented, the above proposals, although different in some respects, all contain much identical language. For example, the Preamble and first three numbered paragraphs (except 077 uses the word "entails" in line 2 or paragraph 2) are the same. All contain a "discrimination" paragraph, a "severability clause, and the definitions of "Government" are copied throughout. Other deletions or additions to the submissions do not detract from the fact that multiple unfavorable fiscal consequences will result if passage of any happens. So, I feel it is fair to say that these comments relate to each and every variation, rather than to repeat the same points one by one, over and over.

Another observation about which no one can reasonably disagree is that these are extremely broad, and being so broad are vague and ambiguous. Applications can be to an expansive variety of situations, all at costs to the state and local governmental agencies. This is especially the case in light of the present political structure of the federal government, and of course many federal monies flow to the State of Missouri. Another way of saying this, although a somewhat different point, is the potential, actually a likelihood, that direction of funding can be "weaponized", so state laws conform to federal ones. Thus, the state of Missouri is "fiscally" affected. The federal government and the states do not exist as if there is a wall in between. Money flows back and forth, and thus a state can easily be targeted and penalized by federal legislative and executive actions.

Most recently as this week President Biden proclaimed that it was "cruel" and "close to sinful" for Florida to ban subjecting children to sex-change procedures. (Not to subject the children, but to ban subjecting the children)! The aforesaid ballot proposals insist that the "right to reproductive freedom" shall not be denied, interfered with, delayed, or otherwise restricted, and governmental action should be deemed invalid. The ballot also uses language in paragraph 2 of all versions the clause "not limited to". It would thus appear that the subject of sex-change procedures, is included. Similarly, some of the

suggested versions require no parental or guardian consent whatsoever, and others only superficially address the subject with a sure-fire exception that a health care professional (not even a treating physician) can approve an abortion without consent if he/she thinks that getting consent may lead to emotional harm to the minor. All of the proposals do not even require that a physician is necessary to provide medical care. In fact you don't even need any license. Medical malpractice will automatically result. The harm to patients for this poor care, and the cost to the State for care of these patients will be an adverse fiscal result.

All of the above circumstances, would lead responsible hospitals and medical care providers to practice their profession with higher and different standards. And so they would refuse to abide by the above random, and harmful, provisions. Next, we come to the subject of "who is going to pay the bill"? Medicaid, as we know, pays an enormous amount of medical charges. Hospitals and doctors get reimbursed by the State, but the State must comply with federal law. If a State fails to follow the law, for the federal portion, which is over half, it may not get reimbursed. The State suffers fiscally. My numbers are that the State of Missouri receives 12.5 billion in federal Medicaid money.

What if, for example, Cardinal Glennon Hospital in St. Louis refused to perform sex change surgery on a minor, with or without parental consent, in its hospital? It is against its religious beliefs, among many other reasons. Can the hospital be denied Medicaid funds? The text of the proposals require such. The President has just declared that refusing to perform this is "cruel". If the State foots the bill and does not get reimbursed from the federal government, this is a fiscal loss.

Is medical insurance required to pay for "reproductive health care"? If so, these are expensive fiscal consequences of the proposals.

The proposals also yield enormous costs to the State in situations where persons or institutions refuse care against their medical "standard of care" but do not even require a license (creating a breeding ground for malpractice, and all of the expenses that come with it). With Medicaid, the state pays part of the bill, but may not get reimbursed the rest if the proposed bill is not followed. What about the "religious beliefs" of medical care providers. If, for example, Catholic hospitals are penalized, the State of Missouri could also be "fiscally" penalized.

What about the issue of prescribing pills to induce abortion---chemical abortion? Do these proposals mean that all care providers must not deny, restrict, or delay this form of abortion? Is the "government" discriminating against patients by not requiring care providers including pharmacists to dispense the pills? Can they be penalized by withholding of Medicaid payments?

The issue of federal Medicaid funds being disallowed has come up before. In December 2020 HHS and OCR announced that \$200 million in federal Medicaid funds going to California in the upcoming quarter were being denied. This was due to the state illegally mandating that all health care plans subject to regulation by the California Department

of Managed Health Care cover abortion without exclusion or limitation. Furthermore, if California did not come into compliance, additional disallowances would be imposed at a rate of \$200 million per quarter. In a Vermont case, receipt of federal funds because of discrimination against an employee who refused to participate in abortions was threatened. I mention this because of the potential fiscal effect on the State of Missouri if one of these proposals was passed.

So as not to overlook the obvious, the proposals if passed would surely make abortions easier in this state, depriving the state of countless future taxpaying citizens. These persons, if allowed to live, would work, create and staff businesses, produce products, and in general contribute to the economy. A growing population encourages others to move here which in turn results in additional fiscal activity. And, although much of the above addresses Medicaid costs, since fewer workers will be around to contribute to the Medicare system, this system will be under fiscal stress also.

These are only some of the immediate, short-term, and permanent unfortunate fiscal consequences to State and local government if any of the proposals pass.

Thank you for considering this information.

David C. Drury

Attorney at Law

10004 Bellefontaine Road

St. Louis, Missouri 63137

314-868-7460

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**Rachel U. Greszler, Senior Research Fellow in Economics, Budgets, and Entitlements,
The Heritage Foundation** provided the following information:

Date: March 17, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

Per Missouri's [fiscal impact](#) provisions, I have prepared the below fiscal note comments on the proposed ballot initiative "A Constitutional Amendment Concerning the Regulation of Abortion" as submitted to your office on March 9, 2023 as initiative petitions 24-077 through 24-087. My comments are my own and should not be construed as representing any official position of the Heritage Foundation.

Missouri is considering laws that would make abortion legal and easily accessible. The State should not take that step, simply because it would result in the death of thousands of innocent human beings. I offer this fiscal note to provide additional reasons that might persuade those who wrongly doubt that unborn human babies are persons.

By significantly reducing the number of births in the state, these laws would reduce the state's population growth and generate short- and long-term impacts on the state's output and its government finances. Abortion laws could also impact individuals' and families' personal finances, health, and wellbeing in ways that affect states revenues and expenses.

Population growth and economic growth go hand in hand so long as the necessary resources and infrastructure are in place to support that growth. Those resources and infrastructure are in place and the U.S. faces an unprecedented labor shortage. Recent declines in fertility rates threaten to reduce population growth and current and future economic growth. Moreover, government debt has created a situation in which the future wellbeing of current residents is dependent upon a growing population and workforce to pay for current debts and for unfunded obligations promised to retirees.

Since 2007, the [total fertility rate](#) in the U.S. declined from 2.11 births per woman (right at replacement rate) to just 1.66 births per woman in 2021. Missouri's total fertility rate declined from 2.08 in 2007 to 1.60 in 2021.

Compared to current law (in which abortion is illegal in Missouri except in instances in which the woman's life is in danger or her health is severely compromised), the proposed laws could

lead to an additional [2,000 to 9,000 abortions per year](#) in Missouri, depending on how expansive abortion access would become.¹ Based on population projections from the Census Bureau, and assuming a one-for-one correlation between increased abortions and reduced population, the proposed abortion laws could reduce Missouri's projected population by 0.3 percent to 1.4 percent over the next 10 years and by 0.6 percent to 2.7 percent over the next 20 years.

The state needs to consider the following potential effects of abortion-induced population decline in its impact analysis:

A reduced labor force. Fewer births and a smaller population means a smaller future labor force. While proponents of abortion make the economic case that abortion enables women to work and earn more, the additional measurable work and earnings of women as a result of having an abortion is miniscule compared to the potential lifetime work and earnings of another human being. Moreover, while having a child can reduce mothers' work and earnings, it tends to increase fathers' work and earnings—a factor that is ignored in abortion advocates economic claims.

Healthcare strain. Already, the U.S. faces [serious shortages](#) of healthcare workers and the population is continuing to age. Young people (those who would be aborted over the coming decades as a result of the proposed laws) consume very little healthcare, and as they reach working age, they are net providers of healthcare. This means the proposed laws could exacerbate healthcare worker shortages, limit Missourians' [access to healthcare](#), and potentially drive up the state's [healthcare costs](#) as shortages lead to higher prices. With Medicaid being Missouri's largest budgetary item (in FY 2022, Missouri's Medicaid spending was 74 percent greater than its K-12 education spending), and the state being limited by the federal government in its ability to reduce Medicaid spending, higher healthcare costs could impose significant budget constraints.

Reduced tax revenues. In the immediate future, fewer children born in Missouri could reduce sales and real estate tax revenues because households with children spend more and tend to live in higher-value housing. While the income tax revenues of women who have children could be lower if they work less after having children, the work and [earnings of men](#) tend to rise after they have children. In the decades following increased abortions, the absence of potentially tens of thousands of workers would lead to reduced income tax revenues. Although some state expenses are proportional to the number of residents and would decline over time, many expenses are not, and declining revenues would necessitate higher taxes or spending cuts.

Exacerbated unfunded pensions and other post-employment benefits. Depending on different assumptions and risk levels, Missouri has between [\\$36 billion](#) and [\\$171 billion](#) in unfunded pension and [other post-employment benefits](#). That is money that has already been promised to public sector workers and retirees, but which has not been set aside to provide those benefits. The American Legislative Exchange Council estimates that Missouri's unfunded pension liabilities alone amount to [\\$26,965 per capita](#) in 2021, and these unfunded liabilities are

¹ Estimated increase based on the number of abortions in Missouri, as reported by the [Missouri Department of Health and Senior Services](#) and the [Guttmacher Institute](#), reporting roughly 9,000 abortions around 2000-2001 and about 2,000 abortions around 2020-2021.

continuing to grow. The fewer people Missouri has, the larger the per-capita liabilities become, and the harder it will be to raise taxes on workers and employers without them moving to other states. Among many consequences, [economic analysis](#) shows that unfunded pension obligations lead to lower real estate values, which would reduce property tax revenues.

Conclusion

It is an unquestionable fact that the U.S. Constitution requires all state and local governments to uphold Americans' most fundamental natural rights, including that of the right to life. Not counting unborn humans as living beings and treating abortion as an exercise in economic eugenics is an assault on these rights and values.

Even then, the fiscal and economic perspectives of abortion advocates are lacking sufficient economic rigor. I offer this fiscal analysis that provides good reasons to reject the proposed amendments on premises that abortion advocates may be able to accept.

The proposed laws to legalize and expand abortion access in Missouri warrant a properly conducted fiscal analysis. As a part of the debate, policymakers must consider how increased abortions will affect Missouri's population, workforce, fundamental services such as healthcare, the states tax revenues and expenditures, and Missouri's ability to make good on its unfunded pension and other post-employment benefit obligations.

Respectfully,

Rachel U. Greszler
Senior Research Fellow in Economics, Budgets, and Entitlements
The Heritage Foundation
214 Massachusetts Ave, NE
Washington, DC 20002
Email: rachel.greszler@heritage.org

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The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.**

Fiscal Note Summary

State governmental entities estimate no costs or savings, but unknown impact. Local governmental entities estimate costs of at least \$51,000 annually in reduced tax revenues. Opponents estimate a potentially significant loss to state revenue.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED
MAR 09 2023
STATE AUDITORS OFFICE

RE: Petition approval request from Anna Fitz-James regarding a proposed constitutional amendment to Article I, version 3 (2024-079)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Anna Fitz-James on March 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

My Commission Expires:____
(Seal)

NOTICE: The proposed amendment revises Article I of the Constitution by adopting one new Section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article I of the Constitution is revised by adopting one new Section to be known as Article I, Section 36 to read as follows:

Section 36. 1. This Section shall be known as “The Right to Reproductive Freedom Initiative.”

2. The Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom, which is the right to make and carry out decisions about all matters relating to reproductive health care, including but not limited to prenatal care, childbirth, postpartum care, birth control, abortion care, miscarriage care, and respectful birthing conditions.

3. The right to reproductive freedom shall not be denied, interfered with, delayed, or otherwise restricted unless the Government demonstrates that such action is justified by a compelling governmental interest achieved by the least restrictive means. Any denial, interference, delay, or restriction of the right to reproductive freedom shall be presumed invalid. For purposes of this Section, a governmental interest is compelling only if it is for the limited purpose and has the limited effect of improving or maintaining the health of a person seeking care, is consistent with widely accepted clinical standards of practice and evidence-based medicine, and does not infringe on that person’s autonomous decision-making.

4. No person shall be penalized, prosecuted, or otherwise subjected to adverse action based on their actual, potential, perceived, or alleged pregnancy outcomes, including but not limited to miscarriage, stillbirth, or abortion. Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.

5. The Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.

6. Nothing in this Section requires government funding of abortion procedures.

7. If any provision of this Section or the application thereof to anyone or to any circumstance is held invalid, the remainder of those provisions and the application of such provisions to others or other circumstances shall not be affected thereby.

8. For purposes of this Section, the term “Government” means:

(1) the state of Missouri; or

(2) any municipality, city, town, village, township, district, authority, public subdivision or public corporation having the power to tax or regulate, or any portion of two or more such entities within the state of Missouri.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-079)**

Subject

Initiative petition from Anna Fitz-James regarding a proposed constitutional amendment to Article I. (Received March 9, 2023)

Date

March 29, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Susan Klein, Executive Director, Missouri Right to Life provided information to the State Auditor's office.

Samuel H. Lee, Campaign Life Missouri provided information to the State Auditor's office.

David C. Drury, Attorney at Law provided information to the State Auditor's office.

Rachel U. Greszler, Senior Research Fellow in Economics, Budgets and Entitlements, The Heritage Foundation provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated changes to the bill are as follows:

Initiative petition 24-079 is identical to 24-077 with the following exception:

Removes "other than as required by federal law" from Section 36.6.

Comments:

The fiscal impact for 24-079 is the same as the fiscal impact for 24-077 and is as follows:

- FY 2024 General Revenue: (\$0 to Unknown)
- FY 2025 General Revenue: (\$0 to Unknown)
- FY 2026 General Revenue: (\$0 to Unknown)

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article I.

Officials from the **Department of Revenue** indicated the initiative petition does not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to reproductive issues does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-079 has no anticipated fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to reproductive issues will not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office is anticipated.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated in reviewing initiative petition 24-079 it has been determined there will be an increased cost to the County of Greene due to loss of tax revenue if voters vote to amend Article I version 3.

The Missouri Department of Health & Senior Services recorded 135 "resident abortions" for Greene County in 2020 and 118 in 2021. The population of Greene County per the 2020 United States census was 298,915. (<https://www.census.gov/quickfacts/fact/table/greene-county-missouri/PST045221>)

In terms of economic impact, Greene County received \$112,673,249 in sales and property taxes for calendar year 2022 (**\$376.94** per capita based on **2020** census data). Accordingly, calculations from these figures indicate an annual loss in population of **135** represents a cost to the County of **\$50,886.90**; an increase in abortion statistics could reasonably be extrapolated to illustrate less tax collections and revenues over the years of potential working lifetimes.

Please see the attached table demonstrating the anticipated yearly on per capita basis and the overall fiscal impact on Greene County tax collections and revenues based on the recorded abortions in 2020 by Missouri Department of Health and Senior Services.

Additional research regarding the broader fiscal impact of lower fertility rates on local and state communities and government budgets may be found here:

- <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/12/the-long-term-decline-in-fertility-and-what-it-means-for-state-budgets>

Greene County Collections in 2022	
2020 Population	298,915
Total Sales Tax Collected	126,986,094.91
Parks I	(8,226,052.01)
Parks II	(8,773,337.47)
Dan Kinney Bond from Parks I	(551,342.50)
LEST	(11,631,863.21)
Strafford TIF	(24,374.44)
Springfield Plaza TIF	(174,240.83)
Sales Tax Subtotal	97,604,884.45
Real Estate Tax	12,222,341.99
Personal Property Tax	2,846,022.58
Property Tax SubTotal	15,068,364.57
Total Taxes	112,673,249.02
Per Capita	376.94
Annual lost population	135
Annual Cost	50,886.90

Officials from **St. Louis County** indicated this has no fiscal impact on their county.

Officials from the **City of Jefferson City** indicated they do not think there would be a direct fiscal impact to the City of Jefferson imposed by Initiative Petition 24-079 proposing to amend Article I. There could be an indirect fiscal impact resulting from increased lawsuits related to violations of the act.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and believe the initiative would have no direct cost or revenue impact.

Susan Klein, Executive Director, Missouri Right to Life provided the following information:



PO Box 651
Jefferson City, MO 65102
573-635-5110
www.missourilife.org

March 15, 2023

Office of the Missouri State Auditor
The Honorable Scott Fitzpatrick
301 West High Street, Room 880
Jefferson City, MO 65102

Dear Auditor Fitzpatrick,

On behalf of the Members, Board and Staff of Missouri Right to Life, I submit to you our comments for consideration and inclusion in the fiscal note you will be preparing regarding the effects to the State of Missouri and its Local Governments of Initiative Petition(s) 2024-077 through 2024-087.

The Petitions Would Create Devastating Impacts for Missouri's Budget:

On March 8, 2023, 11 proposed initiative petitions (2024-077 through 2024-087) were filed with the Missouri Secretary of State's Office by Anna Fitz-James for a campaign committee called "Missourians for Constitutional Freedom." While each initiative petition has some slight variations, they are all identical in their purpose and their fiscal effects to General Revenue, Federal Funds, and Other Funds received by the State of Missouri and the impact to local governments.

The fiscal effects of some of the impacts of the petition(s) follow:

- **Abortion Injuries, Sanctions, Litigation and Loss of Federal Funding:** The petition will allow for abortions to be performed up until the moment of birth and possibly beyond. In addition to the loss of the life of the unborn child and the ending of his or her priceless contributions to our state and society, surgical and chemical abortions have risks and complications to the health of the mother. The cost impacts of surgical and medical abortion physical injuries would result in a devastating impact to Missouri's balanced budget due to an expansion of costs for Missouri's state and Federally-funded healthcare programs. In addition, women endure emotional trauma after an abortion. A massive increase in funding for mental health services would be required. Under current Federal law, states are barred from using Federal funds to pay for abortions except in limited cases (the Hyde Amendment). Federal funding could be in jeopardy and Missouri could be subject to the risk of litigation and sanctions, including the possibility of deferral or disallowance of federal financial participation in Missouri's Medicaid program. In 2019, more than \$7.2 billion in Federal funds were budgeted for Mo HealthNet services (Department of Social Services, Department of Mental Health, and Department of Health and Senior Services). The loss of these funds would be devastating to Missouri.

- **Loss of Licensing Fee Revenues/Penalties:** The petition will allow for anyone to perform an abortion with no penalty, prosecution or adverse action for performing the abortion. An abortion provider would no longer have a reason to maintain his or her license with the State of Missouri (and anyone who chose to perform an abortion would be protected under the Constitution to do so without any regulations or consequences). Missouri laws and regulations would be nullified, and licensing fees normally collected would decline.
- **Rural Hospitals Impacted:** Rural hospitals are already struggling. The petition will allow anyone to perform an abortion with no penalty, prosecution or regulation, and will result in a skyrocketing number of women injured by abortion who will need emergency services, flooding Emergency Rooms and health clinics and limiting or delaying access to emergency healthcare services needed by other individuals. This will result in a fiscal impact to the state. The state will also experience a fiscal impact through staff shortages as abortion-injured state employees seek medical care, surgery and recovery time off work to manage complications of abortion.
- **Missouri Could Face a Budgetary Crisis Due to Loss of Federal Funding from Violating Federal Conscience Laws:** The petition will force Missouri to be out of compliance with Federal conscience laws. This could result in the loss of billions of dollars of Federal funding, litigation and sanctions. If the Federal Government sanctions Missouri due to these violations, this will be devastating and create a budgetary crisis in Missouri. The state will also experience a fiscal impact through staff shortages as state employees flee state jobs where they feel their conscience is violated due to being forced to assist with an abortion.
- **Abortions Funded With Public Tax Dollars:** The petition will allow for the funding of abortions with public tax dollars. The language does not prohibit government funding of abortion procedures or of abortion providers. This would result in a massive fiscal impact to Missouri's balanced budget.
- **Constitutional Protections for Human Traffickers:** The petition will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion. This would result in Constitutional protections for child sex traffickers who impregnate their victims and coerce them into an abortion and would render ineffective Missouri law enforcement, prosecution and justice efforts tasked with upholding our Constitution and laws. The petition could hamper the Federal Government's efforts under The Trafficking Victims Protection Act of 2000 and other Federal laws and could result in sanctions from any Federal funding that Missouri would otherwise be eligible to receive.
- **Sex Changes, et. al, Funded With Public Tax Dollars:** The petition, under the guise of "The Right to Reproductive Freedom," will allow the funding of sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars. This would result in a massive fiscal impact to Missouri's balanced budget.

In summary, any fiscal note of the petition(s) should contain the following language and should also include the estimated fiscal net effects to the State of Missouri and its local government:

This initiative petition (a) will allow for abortions to be performed up until the moment of birth and possibly beyond, which would put Missouri in jeopardy of losing billions of dollars of Federal funding and create an unplanned strain on the state's General Revenue, Other and Local Funds as a result of abortion injuries, sanctions, litigation, loss of licensing fee/penalty revenues, and overloaded emergency rooms and healthcare facilities, (b) will put Missouri in violation of Federal conscience laws, which could result in a loss of billions of dollars of Federal funding and an increase of state and local government employee vacancies and litigation due to exercising their rights of conscience, (c) will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion, thereby creating Constitutional protections for Human Traffickers which could result in a loss of Federal funding, and (d) will allow for the funding of abortions, sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars which would result in a massive fiscal impact to the State of Missouri and its local government budgets.

Sincerely,

A handwritten signature in cursive script that reads "Susan Klein". The signature is written in dark ink and is positioned above the printed name and title.

Susan Klein
Executive Director
Missouri Right to Life

Samuel H. Lee, Campaign Life Missouri provided the following information:



Samuel Lee
Director

March 16, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

In accordance with the provisions of [section 116.175](#), this is a proposed statement of the fiscal impact of the 11 initiative petitions numbered 24-077 through 24-087, which your office received on March 9, 2023.

To summarize, the proposed ballot measures – all of which would amend the Missouri Constitution – could result in:

- A decrease in federal Medicaid revenues by an unknown amount, up to \$12.5 billion annually.
- Increased costs to taxpayers of unknown amounts, because of medical treatment of, or other services for, children or adults injured by abortions, sex-change operations, genital mutilation or other unspecified “reproductive health care” performed by unlicensed or untrained persons.
- Increased costs of an unknown amount to the Department of Health and Senior Services for the inspection and licensing of thousands of abortion facilities.
- Loss of revenue of unknown amounts to the state and its political subdivisions, because of boycotts of businesses, shopping, tourism or other revenue-generating activities, as a result of Missouri becoming the Midwest’s “abortion destination” state.
- Long-term loss of revenues of unknown amounts to the state and its political subdivisions, because of a decrease in the workforce due to the number of children who are aborted before birth. Also, because of individuals who can no longer work after they become disabled as a result of unsafe abortions, sex-change operations, genital mutilation or other unspecified, unsafe “reproductive health care.” But more important than fiscal costs, the human cost to Missouri’s citizens is unimaginable.

Former-Auditor Galloway made a comparable analysis of the fiscal impacts when she issued her fiscal note and fiscal note summary on [HB 126 \(20-R001 on June 19, 2019\)](#) – the subject of a

referendum that year. Her fiscal note summary became part of the [official ballot title certified by Secretary of State on August 14, 2019](#), for the referendum on HB 126.

Supporting Information on Fiscal Impact of the 11 Initiative Petitions:

- The loss of federal Medicaid matching dollars, which in the proposed fiscal year 2024 budget **would be a loss of nearly \$12.5 billion**.
 - In FY 2023, Missouri lawmakers appropriated about \$16.9 billion for Medicaid (MO HealthNet) across state agencies. [The majority of Medicaid financing in 2023 – \\$10.6 billion – came from federal matching funds](#). The governor’s proposed budget for MO HealthNet for FY 2024 is nearly \$19.3 billion – [almost \\$12.5 billion which would come from federal funds](#).
 - The loss of federal Medicaid matching funds could occur if Missouri is out of compliance with federal Medicaid requirements, for example:
 - If the state cuts off Medicaid reimbursements to Catholic hospitals. This could be a result of the requirement in the initiative petitions that the “Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom.” This might include the state requiring Medicaid providers to sterilize patients, dispense puberty blockers or remove sex organs during sex-change operations.
 - This might also include the state requiring hospitals to participate in the horrendous practice of genital mutilation, currently prohibited by state law under [section 568.065](#), and for which no defense is allowed for “a matter of custom, ritual or standard practice, or [by] consent to the conduct by the child.”
 - But because of the broad-based definition of “reproductive health care” in the 11 initiative petitions (“including but not limited to”), state courts could easily find that genital mutilation is constitutionally protected activity, and strike down existing law.
 - However, for the state government to require Catholic health care providers (or others) to provide these procedures, it would be a violation of their conscience rights – for which the federal government could withhold from the state, Medicaid matching dollars.
 - For example, in California in 2020, [HHS disallowed \\$200 million in federal Medicaid matching funds per quarter due to the state’s unlawful abortion insurance mandate](#), which forced a Catholic order of religious sisters and a non-profit Christian Church to provide abortion health insurance coverage. See also:
 - [“The Fight Over California’s Abortion Coverage Mandate,” Regulatory Review](#), February 3, 2021 (“Can a state require that all health plans offered to its residents cover elective abortions? The federal government thinks not, and the state of California is poised to lose at least \$200 million in Medicaid dollars because it insists that health plans in its state cover abortion services.”)

- [“Federal agency says UVM Med Center forced nurse to assist in abortion,” VT Digger](#), August 28, 2019 (“The U.S. Department of Health and Human Services has accused the University of Vermont Medical Center of forcing a nurse to assist in an abortion procedure despite the nurse’s religious objections. ... The [letter from Roger Severino](#), the director of HHS’ Office for Civil Rights, asks the hospital to adjust its policies or face losing the federal funding it receives from HHS.”)
- There might be additional circumstances where state compliance with at least some of the proposed constitutional amendments would force the state to be out of compliance with federal Medicaid law, such as the state paying for abortions (or other procedures) with federal funds that are not permitted to be reimbursed under federal law. For example, the state might be compelled by the terms of some of the initiative petitions to pay for all abortions for all Medicaid-eligible females, because failing to do so might “discriminate against persons” if the state is paying for the labor and delivery of children for all Medicaid-eligible females. In other words, under the state constitution, Missouri might no longer be [“permitted to enact persuasive measures which favor childbirth over abortion”](#) (*Planned Parenthood v. Casey*, 505 U.S. 833, 886 (1992)). Such non-compliance with federal Medicaid law might also apply to other broad-based, undefined “reproductive health care,” which the state might also be compelled to pay for.
- Under the initiative petitions, the “Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.” “Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, ANY person of ANY age could legally provide, or assist another person in obtaining, an abortion, a sex-change operation, genital mutilation or other unspecified “reproductive health care.” **This could result in numerous, life-altering medical complications to the child or adult who underwent the “reproductive health care.”** Especially with abortion – particularly for abortions performed later in pregnancy – this could result in huge medical costs for her and her child **that are ultimately paid for by taxpayers.**
 - Regarding abortion, in Missouri, the [cost of inpatient medical procedures and emergency department services for treating “issues before childbirth with complications”](#) is a **median charge per person of \$11,977** – with a minimum charges of \$4,140 and a **maximum charge of \$35,345.**
 - And the cost could be even higher for an abortion-related ER visit. [One recent study](#) found that a “[p]atient concealment and/or physician failure to identify a prior abortion during an ER visit is a significant risk factor for a subsequent hospital admission.” In fact, “[c]hemical abortion patients whose abortions are misclassified

- as miscarriages during an ER visit subsequently experience on average 3.2 hospital admissions within 30 days. 86% of the patients ultimately have surgical removal of retained products of conception (RPOC).”
- According to the CDC, in 2020, nearly 10,000 Missouri residents obtained abortions ([9,980 total, but only 167 within the state](#)). Having unlicensed, non-medical personnel permitted to perform or induce abortions within the state on even a fraction of these 10,000 girls or women could result in untold harm to them now – and harm to their future health and fertility.
 - And there might be additional costs to the state or political subdivisions beyond treating the complications to girls or women from being provided abortions by non-physicians or even non-medical personnel. Any low-birthweight infant born alive after a late-term abortion could need long-term NICU care and possibly permanent assistance throughout childhood and during his or her adult life.
 - According to a [2020 New York Times story](#): “The March of Dimes estimates that the average societal cost of each preterm birth, which includes medical care, early intervention services and lost productivity, is \$65,000.”
 - That same story reported on a cost of \$4 million in NICU costs for triplets who were born prematurely.
 - [Preterm birth lifetime costs in the United States](#) (as of 2016) were “estimated to be \$25.2 billion: \$17.1 billion for medical care of persons born preterm, \$2.0 billion for delivery care, \$1.3 billion for early intervention and special education, and \$4.8 billion in lost productivity due to associated disabilities in adults.”
- **Other costs could be the licensing and inspection of multiple locations (potentially thousands of sites) as “abortion facilities,” as required under Missouri law.** This is because [section 197.205](#) requires that no person or governmental unit shall establish, conduct or maintain an abortion facility in the state without a license issued by the Missouri Department of Health and Senior Services (DHSS).
 - [Section 188.015](#) defines an “abortion facility” as “a clinic, physician’s office, or any other place or facility in which abortions are performed or induced other than a hospital”.
 - [Section 197.230](#) states that “[i]n the case of any abortion facility, the department [of health and senior services (DHSS)] shall make or cause to be made an unannounced on-site inspection and investigation at least annually.” Such on-site inspections and investigations must include a variety of areas relating to staffing and equipment to respond to medical emergencies, compliance with Missouri’s abortion laws and the requirement that continuous physician services or registered professional nursing services are to be provided whenever a patient is in the facility.
 - There are [more than 7,000 licensed pharmacists in Missouri](#), and under the proposed constitutional amendment, any pharmacy (or other place) where a pharmacist provides abortion pills, DHSS would be required to inspect and license. **This would**

be an enormous cost to the department and to taxpayers. And any other place where abortion pills would be provided (homes, schools, vending machines, doctor's offices, clinics, etc.) would also have to be inspected at least once a year and licensed.

- **Economic boycotts of Missouri and its businesses could result if the “Show-Me” state becomes the “Abort-Me” state, once it is transformed into the Midwest’s “abortion destination” – a distinct possibility since Missouri is “within a day’s reach of half of U.S. households”.**
 - Just as some pro-abortion advocates in other states are promoting boycotts of states like Missouri that currently protect unborn children from abortion, pro-life advocates in other states might boycott by no longer purchasing from Missouri businesses, or engaging in travel, tourism or shopping in Missouri. How tragic that would be for Missouri, which has been described as one of the top pro-life states in the country.
 - Some “red” states have been prohibiting or attempting to prohibit their governmental entities from doing business with financial firms in other states that take environmental, social and corporate governance (ESG) into consideration, and those same states and additional ones might extend that to any “abortion destination” state – which is what Missouri could become if any one of the 11 initiative petitions is enacted into law.
 - “Missouri tourism provides a \$13.5 billion economic impact that creates more than 257,000 jobs in the state,” according to the Missouri Division of Tourism. It could be a devastating loss to the state and its residents if Missouri became the abortion capital of the Midwest.
- By some estimates, the economic cost to the U.S. of abortion in 2019 – due to the loss of nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of GDP. **Missouri could experience increased economic loss if the number of abortions increases in the state.** And unsafe, legal abortions in the state could result in the disability of countless women who – perhaps permanently – would be unable to enter or remain in the workforce.
 - According to a June 15, 2022 report of the Joint Economic Committee – Congressional Republicans *The Economic Cost of Abortion* – the economic cost of an abortion due to the loss of unborn lives is 425 times larger than the earnings loss mothers could be expected to incur when having a child.”
 - According to a key finding in the report: “In the long run, abortion shrinks the labor force, stunts innovation, and limits economic growth. It also weakens the solvency of social insurance programs like Social Security and Medicare that rely on workers to support a growing elderly population.”
 - And as the International Planned Parenthood Federation has noted: “**Unsafe abortions** are performed by un- or under-trained providers ... It is possible to have an unsafe, legal abortion.” (underlining added)

- Under the initiative petitions, “any person assisting a person in exercising their right to reproductive freedom” shall not “be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, unlicensed, untrained persons of ANY age could perform unsafe, legal abortions or other “reproductive health care,” and the “Government shall not discriminate against persons ... in doing so.” While the economic cost of this policy is incalculable, more important and horrifying, the human cost to Missouri’s citizens is unimaginable.

Auditor Fitzpatrick, if we can be of further assistance, please do not hesitate to contact us.

Sam

Samuel H. Lee
Campaign Life Missouri
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P.O. Box 142585 • St. Louis, MO 63114-0585

David C. Drury, Attorney at Law provided the following information:

Dear Auditor Fitzpatrick:

I am a licensed attorney in the St. Louis Metropolitan area who has practiced law here for the last fifty years.

Eleven similar proposals to destroy major Missouri laws which have existed for decades are being suggested by petition numbers 2024-077 to 2024-087.

As you are aware, section 116.175 et al requires that a fiscal note and fiscal note summary state a measure's estimated cost or savings to any state or local governmental entity. In general, a strong fiscal outlook is an essential foundation for a growing, thriving economy. The gap between income and spending is subsequently closed by government borrowing, something to ideally be avoided. Moreover, voters, especially in this conservative state, should be informed and educated of the costs of measures so radical they reverse and erase in one fell swoop the studied product of elected representatives. Indeed, the cost of a proposal may be the reason a voter decides against it.

As commented, the above proposals, although different in some respects, all contain much identical language. For example, the Preamble and first three numbered paragraphs (except 077 uses the word "entails" in line 2 or paragraph 2) are the same. All contain a "discrimination" paragraph, a "severability clause, and the definitions of "Government" are copied throughout. Other deletions or additions to the submissions do not detract from the fact that multiple unfavorable fiscal consequences will result if passage of any happens. So, I feel it is fair to say that these comments relate to each and every variation, rather than to repeat the same points one by one, over and over.

Another observation about which no one can reasonably disagree is that these are extremely broad, and being so broad are vague and ambiguous. Applications can be to an expansive variety of situations, all at costs to the state and local governmental agencies. This is especially the case in light of the present political structure of the federal government, and of course many federal monies flow to the State of Missouri. Another way of saying this, although a somewhat different point, is the potential, actually a likelihood, that direction of funding can be "weaponized", so state laws conform to federal ones. Thus, the state of Missouri is "fiscally" affected. The federal government and the states do not exist as if there is a wall in between. Money flows back and forth, and thus a state can easily be targeted and penalized by federal legislative and executive actions.

Most recently as this week President Biden proclaimed that it was "cruel" and "close to sinful" for Florida to ban subjecting children to sex-change procedures. (Not to subject the children, but to ban subjecting the children)! The aforesaid ballot proposals insist that the "right to reproductive freedom" shall not be denied, interfered with, delayed, or otherwise restricted, and governmental action should be deemed invalid. The ballot also uses language in paragraph 2 of all versions the clause "not limited to". It would thus appear that the subject of sex-change procedures, is included. Similarly, some of the

suggested versions require no parental or guardian consent whatsoever, and others only superficially address the subject with a sure-fire exception that a health care professional (not even a treating physician) can approve an abortion without consent if he/she thinks that getting consent may lead to emotional harm to the minor. All of the proposals do not even require that a physician is necessary to provide medical care. In fact you don't even need any license. Medical malpractice will automatically result. The harm to patients for this poor care, and the cost to the State for care of these patients will be an adverse fiscal result.

All of the above circumstances, would lead responsible hospitals and medical care providers to practice their profession with higher and different standards. And so they would refuse to abide by the above random, and harmful, provisions. Next, we come to the subject of "who is going to pay the bill"? Medicaid, as we know, pays an enormous amount of medical charges. Hospitals and doctors get reimbursed by the State, but the State must comply with federal law. If a State fails to follow the law, for the federal portion, which is over half, it may not get reimbursed. The State suffers fiscally. My numbers are that the State of Missouri receives 12.5 billion in federal Medicaid money.

What if, for example, Cardinal Glennon Hospital in St. Louis refused to perform sex change surgery on a minor, with or without parental consent, in its hospital? It is against its religious beliefs, among many other reasons. Can the hospital be denied Medicaid funds? The text of the proposals require such. The President has just declared that refusing to perform this is "cruel". If the State foots the bill and does not get reimbursed from the federal government, this is a fiscal loss.

Is medical insurance required to pay for "reproductive health care"? If so, these are expensive fiscal consequences of the proposals.

The proposals also yield enormous costs to the State in situations where persons or institutions refuse care against their medical "standard of care" but do not even require a license (creating a breeding ground for malpractice, and all of the expenses that come with it). With Medicaid, the state pays part of the bill, but may not get reimbursed the rest if the proposed bill is not followed. What about the "religious beliefs" of medical care providers. If, for example, Catholic hospitals are penalized, the State of Missouri could also be "fiscally" penalized.

What about the issue of prescribing pills to induce abortion---chemical abortion? Do these proposals mean that all care providers must not deny, restrict, or delay this form of abortion? Is the "government" discriminating against patients by not requiring care providers including pharmacists to dispense the pills? Can they be penalized by withholding of Medicaid payments?

The issue of federal Medicaid funds being disallowed has come up before. In December 2020 HHS and OCR announced that \$200 million in federal Medicaid funds going to California in the upcoming quarter were being denied. This was due to the state illegally mandating that all health care plans subject to regulation by the California Department

of Managed Health Care cover abortion without exclusion or limitation. Furthermore, if California did not come into compliance, additional disallowances would be imposed at a rate of \$200 million per quarter. In a Vermont case, receipt of federal funds because of discrimination against an employee who refused to participate in abortions was threatened. I mention this because of the potential fiscal effect on the State of Missouri if one of these proposals was passed.

So as not to overlook the obvious, the proposals if passed would surely make abortions easier in this state, depriving the state of countless future taxpaying citizens. These persons, if allowed to live, would work, create and staff businesses, produce products, and in general contribute to the economy. A growing population encourages others to move here which in turn results in additional fiscal activity. And, although much of the above addresses Medicaid costs, since fewer workers will be around to contribute to the Medicare system, this system will be under fiscal stress also.

These are only some of the immediate, short-term, and permanent unfortunate fiscal consequences to State and local government if any of the proposals pass.

Thank you for considering this information.

David C. Drury

Attorney at Law

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St. Louis, Missouri 63137

314-868-7460

314-868-3122(fax)

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**Rachel U. Greszler, Senior Research Fellow in Economics, Budgets, and Entitlements,
The Heritage Foundation** provided the following information:

Date: March 17, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

Per Missouri's [fiscal impact](#) provisions, I have prepared the below fiscal note comments on the proposed ballot initiative "A Constitutional Amendment Concerning the Regulation of Abortion" as submitted to your office on March 9, 2023 as initiative petitions 24-077 through 24-087. My comments are my own and should not be construed as representing any official position of the Heritage Foundation.

Missouri is considering laws that would make abortion legal and easily accessible. The State should not take that step, simply because it would result in the death of thousands of innocent human beings. I offer this fiscal note to provide additional reasons that might persuade those who wrongly doubt that unborn human babies are persons.

By significantly reducing the number of births in the state, these laws would reduce the state's population growth and generate short- and long-term impacts on the state's output and its government finances. Abortion laws could also impact individuals' and families' personal finances, health, and wellbeing in ways that affect states revenues and expenses.

Population growth and economic growth go hand in hand so long as the necessary resources and infrastructure are in place to support that growth. Those resources and infrastructure are in place and the U.S. faces an unprecedented labor shortage. Recent declines in fertility rates threaten to reduce population growth and current and future economic growth. Moreover, government debt has created a situation in which the future wellbeing of current residents is dependent upon a growing population and workforce to pay for current debts and for unfunded obligations promised to retirees.

Since 2007, the [total fertility rate](#) in the U.S. declined from 2.11 births per woman (right at replacement rate) to just 1.66 births per woman in 2021. Missouri's total fertility rate declined from 2.08 in 2007 to 1.60 in 2021.

Compared to current law (in which abortion is illegal in Missouri except in instances in which the woman's life is in danger or her health is severely compromised), the proposed laws could

lead to an additional [2,000 to 9,000 abortions per year](#) in Missouri, depending on how expansive abortion access would become.¹ Based on population projections from the Census Bureau, and assuming a one-for-one correlation between increased abortions and reduced population, the proposed abortion laws could reduce Missouri's projected population by 0.3 percent to 1.4 percent over the next 10 years and by 0.6 percent to 2.7 percent over the next 20 years.

The state needs to consider the following potential effects of abortion-induced population decline in its impact analysis:

A reduced labor force. Fewer births and a smaller population means a smaller future labor force. While proponents of abortion make the economic case that abortion enables women to work and earn more, the additional measurable work and earnings of women as a result of having an abortion is miniscule compared to the potential lifetime work and earnings of another human being. Moreover, while having a child can reduce mothers' work and earnings, it tends to increase fathers' work and earnings—a factor that is ignored in abortion advocates economic claims.

Healthcare strain. Already, the U.S. faces [serious shortages](#) of healthcare workers and the population is continuing to age. Young people (those who would be aborted over the coming decades as a result of the proposed laws) consume very little healthcare, and as they reach working age, they are net providers of healthcare. This means the proposed laws could exacerbate healthcare worker shortages, limit Missourians' [access to healthcare](#), and potentially drive up the state's [healthcare costs](#) as shortages lead to higher prices. With Medicaid being Missouri's largest budgetary item (in FY 2022, Missouri's Medicaid spending was 74 percent greater than its K-12 education spending), and the state being limited by the federal government in its ability to reduce Medicaid spending, higher healthcare costs could impose significant budget constraints.

Reduced tax revenues. In the immediate future, fewer children born in Missouri could reduce sales and real estate tax revenues because households with children spend more and tend to live in higher-value housing. While the income tax revenues of women who have children could be lower if they work less after having children, the work and [earnings of men](#) tend to rise after they have children. In the decades following increased abortions, the absence of potentially tens of thousands of workers would lead to reduced income tax revenues. Although some state expenses are proportional to the number of residents and would decline over time, many expenses are not, and declining revenues would necessitate higher taxes or spending cuts.

Exacerbated unfunded pensions and other post-employment benefits. Depending on different assumptions and risk levels, Missouri has between [\\$36 billion](#) and [\\$171 billion](#) in unfunded pension and [other post-employment benefits](#). That is money that has already been promised to public sector workers and retirees, but which has not been set aside to provide those benefits. The American Legislative Exchange Council estimates that Missouri's unfunded pension liabilities alone amount to [\\$26,965 per capita](#) in 2021, and these unfunded liabilities are

¹ Estimated increase based on the number of abortions in Missouri, as reported by the [Missouri Department of Health and Senior Services](#) and the [Guttmacher Institute](#), reporting roughly 9,000 abortions around 2000-2001 and about 2,000 abortions around 2020-2021.

continuing to grow. The fewer people Missouri has, the larger the per-capita liabilities become, and the harder it will be to raise taxes on workers and employers without them moving to other states. Among many consequences, [economic analysis](#) shows that unfunded pension obligations lead to lower real estate values, which would reduce property tax revenues.

Conclusion

It is an unquestionable fact that the U.S. Constitution requires all state and local governments to uphold Americans' most fundamental natural rights, including that of the right to life. Not counting unborn humans as living beings and treating abortion as an exercise in economic eugenics is an assault on these rights and values.

Even then, the fiscal and economic perspectives of abortion advocates are lacking sufficient economic rigor. I offer this fiscal analysis that provides good reasons to reject the proposed amendments on premises that abortion advocates may be able to accept.

The proposed laws to legalize and expand abortion access in Missouri warrant a properly conducted fiscal analysis. As a part of the debate, policymakers must consider how increased abortions will affect Missouri's population, workforce, fundamental services such as healthcare, the states tax revenues and expenditures, and Missouri's ability to make good on its unfunded pension and other post-employment benefit obligations.

Respectfully,

Rachel U. Greszler
Senior Research Fellow in Economics, Budgets, and Entitlements
The Heritage Foundation
214 Massachusetts Ave, NE
Washington, DC 20002
Email: rachel.greszler@heritage.org

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Foundations 18%

Corporations 2%

Program revenue and other income 14%

The top five corporate givers provided The Heritage Foundation with **1% of its 2020 income**. The Heritage Foundation's books are audited annually by the national accounting firm of RSM US, LLP.

Members of The Heritage Foundation staff testify and comment as individuals discussing their own independent research. The views expressed are their own and do not reflect an institutional position of The Heritage Foundation or its board of trustees.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.**

Fiscal Note Summary

State governmental entities estimate no costs or savings, but unknown impact. Local governmental entities estimate costs of at least \$51,000 annually in reduced tax revenues. Opponents estimate a potentially significant loss to state revenue.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

MAR 09 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Anna Fitz-James regarding a proposed constitutional amendment to Article I, version 2 (2024-078)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Anna Fitz-James on March 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

2023 MAR -8 PM 3:18
B. Ashcroft

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

My Commission Expires: _____ (Seal)

NOTICE: The proposed amendment revises Article I of the Constitution by adopting one new Section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article I of the Constitution is revised by adopting one new Section to be known as Article I, Section 36 to read as follows:

Section 36. 1. This Section shall be known as “The Right to Reproductive Freedom Initiative.”

2. The Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom, which is the right to make and carry out decisions about all matters relating to reproductive health care, including but not limited to prenatal care, childbirth, postpartum care, birth control, abortion care, miscarriage care, and respectful birthing conditions.

3. The right to reproductive freedom shall not be denied, interfered with, delayed, or otherwise restricted unless the Government demonstrates that such action is justified by a compelling governmental interest achieved by the least restrictive means. Any denial, interference, delay, or restriction of the right to reproductive freedom shall be presumed invalid. For purposes of this Section, a governmental interest is compelling only if it is for the limited purpose and has the limited effect of improving or maintaining the health of a person seeking care, is consistent with widely accepted clinical standards of practice and evidence-based medicine, and does not infringe on that person’s autonomous decision-making.

4. No person shall be penalized, prosecuted, or otherwise be subject to adverse action based on their actual, potential, perceived, or alleged pregnancy outcomes, including but not limited to miscarriage, stillbirth, or abortion. Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.

5. The Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.

6. If any provision of this Section or the application thereof to anyone or to any circumstance is held invalid, the remainder of those provisions and the application of such provisions to others or other circumstances shall not be affected thereby.

7. For purposes of this Section, the term “Government” means:

(1) the state of Missouri; or

(2) any municipality, city, town, village, township, district, authority, public subdivision or public corporation having the power to tax or regulate, or any portion of two or more such entities within the state of Missouri.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-078)**

Subject

Initiative petition from Anna Fitz-James regarding a proposed constitutional amendment to Article I. (Received March 9, 2023)

Date

March 29, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Susan Klein, Executive Director, Missouri Right to Life provided information to the State Auditor's office.

Samuel H. Lee, Campaign Life Missouri provided information to the State Auditor's office.

David C. Drury, Attorney at Law provided information to the State Auditor's office.

Rachel U. Greszler, Senior Research Fellow in Economics, Budgets and Entitlements, The Heritage Foundation provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-078 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated initiative petition 24-078 is identical to 24-077 with the following exception:

Removes Section 36.6, which states "Nothing in this Section requires government funding of abortion procedures other than as required by federal law."

Comments:

The fiscal impact for 24-078 is the same as the fiscal impact for 24-077 and is as follows:

- FY 2024 General Revenue: (\$0 to Unknown)
- FY 2025 General Revenue: (\$0 to Unknown)
- FY 2026 General Revenue: (\$0 to Unknown)

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article I.

Officials from the **Department of Revenue** indicated the initiative petition does not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to reproductive issues does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-078 has no anticipated fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to reproductive issues will not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact is anticipated to their office.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated in reviewing initiative petition 24-078 it has been determined there will be an increased cost to the County of Greene due to loss of tax revenue if voters vote to amend Article I.

The Missouri Department of Health & Senior Services recorded 135 "resident abortions" for Greene County in 2020 and 118 in 2021. The population of Greene County per the 2020 United States census was 298,915. (<https://www.census.gov/quickfacts/fact/table/greene-county-missouri/PST045221>)

In terms of economic impact, Greene County received \$112,673,249 in sales and property taxes for calendar year 2022 (**\$376.94** per capita based on **2020** census data). Accordingly, calculations from these figures indicate an annual loss in population of **135** represents a cost to the County of **\$50,886.90**; an increase in abortion statistics could reasonably be extrapolated to illustrate less tax collections and revenues over the years of potential working lifetimes.

Please see the attached table demonstrating the anticipated yearly on per capita basis and the overall fiscal impact on Greene County tax collections and revenues based on the recorded abortions in 2020 by Missouri Department of Health and Senior Services.

Additional research regarding the broader fiscal impact of lower fertility rates on local and state communities and government budgets may be found here:

- <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/12/the-long-term-decline-in-fertility-and-what-it-means-for-state-budgets>

Greene County Collections in 2022	
2020 Population	298,915
Total Sales Tax Collected	126,986,094.91
Parks I	(8,226,052.01)
Parks II	(8,773,337.47)
Dan Kinney Bond from Parks I	(551,342.50)
LEST	(11,631,863.21)
Strafford TIF	(24,374.44)
Springfield Plaza TIF	(174,240.83)
Sales Tax Subtotal	97,604,884.45
Real Estate Tax	12,222,341.99
Personal Property Tax	2,846,022.58
Property Tax SubTotal	15,068,364.57
Total Taxes	112,673,249.02
Per Capita	376.94
Annual lost population	135
Annual Cost	50,886.90

Officials from **St. Louis County** indicated this has no fiscal impact on their county.

Officials from the **City of Jefferson City** indicated they do not think there would be a direct fiscal impact to the City of Jefferson imposed by Initiative Petition 24-078 proposing to amend Article I. There could be an indirect fiscal impact resulting from increased lawsuits related to violations of the act.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative petition and believe the initiative would have no direct cost or revenue impact.

Susan Klein, Executive Director, Missouri Right to Life provided the following information:



PO Box 651
Jefferson City, MO 65102
573-635-5110
www.missourilife.org

March 15, 2023

Office of the Missouri State Auditor
The Honorable Scott Fitzpatrick
301 West High Street, Room 880
Jefferson City, MO 65102

Dear Auditor Fitzpatrick,

On behalf of the Members, Board and Staff of Missouri Right to Life, I submit to you our comments for consideration and inclusion in the fiscal note you will be preparing regarding the effects to the State of Missouri and its Local Governments of Initiative Petition(s) 2024-077 through 2024-087.

The Petitions Would Create Devastating Impacts for Missouri's Budget:

On March 8, 2023, 11 proposed initiative petitions (2024-077 through 2024-087) were filed with the Missouri Secretary of State's Office by Anna Fitz-James for a campaign committee called "Missourians for Constitutional Freedom." While each initiative petition has some slight variations, they are all identical in their purpose and their fiscal effects to General Revenue, Federal Funds, and Other Funds received by the State of Missouri and the impact to local governments.

The fiscal effects of some of the impacts of the petition(s) follow:

- **Abortion Injuries, Sanctions, Litigation and Loss of Federal Funding:** The petition will allow for abortions to be performed up until the moment of birth and possibly beyond. In addition to the loss of the life of the unborn child and the ending of his or her priceless contributions to our state and society, surgical and chemical abortions have risks and complications to the health of the mother. The cost impacts of surgical and medical abortion physical injuries would result in a devastating impact to Missouri's balanced budget due to an expansion of costs for Missouri's state and Federally-funded healthcare programs. In addition, women endure emotional trauma after an abortion. A massive increase in funding for mental health services would be required. Under current Federal law, states are barred from using Federal funds to pay for abortions except in limited cases (the Hyde Amendment). Federal funding could be in jeopardy and Missouri could be subject to the risk of litigation and sanctions, including the possibility of deferral or disallowance of federal financial participation in Missouri's Medicaid program. In 2019, more than \$7.2 billion in Federal funds were budgeted for Mo HealthNet services (Department of Social Services, Department of Mental Health, and Department of Health and Senior Services). The loss of these funds would be devastating to Missouri.

- **Loss of Licensing Fee Revenues/Penalties:** The petition will allow for anyone to perform an abortion with no penalty, prosecution or adverse action for performing the abortion. An abortion provider would no longer have a reason to maintain his or her license with the State of Missouri (and anyone who chose to perform an abortion would be protected under the Constitution to do so without any regulations or consequences). Missouri laws and regulations would be nullified, and licensing fees normally collected would decline.
- **Rural Hospitals Impacted:** Rural hospitals are already struggling. The petition will allow anyone to perform an abortion with no penalty, prosecution or regulation, and will result in a skyrocketing number of women injured by abortion who will need emergency services, flooding Emergency Rooms and health clinics and limiting or delaying access to emergency healthcare services needed by other individuals. This will result in a fiscal impact to the state. The state will also experience a fiscal impact through staff shortages as abortion-injured state employees seek medical care, surgery and recovery time off work to manage complications of abortion.
- **Missouri Could Face a Budgetary Crisis Due to Loss of Federal Funding from Violating Federal Conscience Laws:** The petition will force Missouri to be out of compliance with Federal conscience laws. This could result in the loss of billions of dollars of Federal funding, litigation and sanctions. If the Federal Government sanctions Missouri due to these violations, this will be devastating and create a budgetary crisis in Missouri. The state will also experience a fiscal impact through staff shortages as state employees flee state jobs where they feel their conscience is violated due to being forced to assist with an abortion.
- **Abortions Funded With Public Tax Dollars:** The petition will allow for the funding of abortions with public tax dollars. The language does not prohibit government funding of abortion procedures or of abortion providers. This would result in a massive fiscal impact to Missouri's balanced budget.
- **Constitutional Protections for Human Traffickers:** The petition will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion. This would result in Constitutional protections for child sex traffickers who impregnate their victims and coerce them into an abortion and would render ineffective Missouri law enforcement, prosecution and justice efforts tasked with upholding our Constitution and laws. The petition could hamper the Federal Government's efforts under The Trafficking Victims Protection Act of 2000 and other Federal laws and could result in sanctions from any Federal funding that Missouri would otherwise be eligible to receive.
- **Sex Changes, et. al, Funded With Public Tax Dollars:** The petition, under the guise of "The Right to Reproductive Freedom," will allow the funding of sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars. This would result in a massive fiscal impact to Missouri's balanced budget.

In summary, any fiscal note of the petition(s) should contain the following language and should also include the estimated fiscal net effects to the State of Missouri and its local government:

This initiative petition (a) will allow for abortions to be performed up until the moment of birth and possibly beyond, which would put Missouri in jeopardy of losing billions of dollars of Federal funding and create an unplanned strain on the state's General Revenue, Other and Local Funds as a result of abortion injuries, sanctions, litigation, loss of licensing fee/penalty revenues, and overloaded emergency rooms and healthcare facilities, (b) will put Missouri in violation of Federal conscience laws, which could result in a loss of billions of dollars of Federal funding and an increase of state and local government employee vacancies and litigation due to exercising their rights of conscience, (c) will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion, thereby creating Constitutional protections for Human Traffickers which could result in a loss of Federal funding, and (d) will allow for the funding of abortions, sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars which would result in a massive fiscal impact to the State of Missouri and its local government budgets.

Sincerely,

A handwritten signature in black ink that reads "Susan Klein". The signature is written in a cursive, flowing style.

Susan Klein
Executive Director
Missouri Right to Life

Samuel H. Lee, Campaign Life Missouri provided the following information:



Samuel Lee
Director

March 16, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

In accordance with the provisions of [section 116.175](#), this is a proposed statement of the fiscal impact of the 11 initiative petitions numbered 24-077 through 24-087, which your office received on March 9, 2023.

To summarize, the proposed ballot measures – all of which would amend the Missouri Constitution – could result in:

- A decrease in federal Medicaid revenues by an unknown amount, up to \$12.5 billion annually.
- Increased costs to taxpayers of unknown amounts, because of medical treatment of, or other services for, children or adults injured by abortions, sex-change operations, genital mutilation or other unspecified “reproductive health care” performed by unlicensed or untrained persons.
- Increased costs of an unknown amount to the Department of Health and Senior Services for the inspection and licensing of thousands of abortion facilities.
- Loss of revenue of unknown amounts to the state and its political subdivisions, because of boycotts of businesses, shopping, tourism or other revenue-generating activities, as a result of Missouri becoming the Midwest’s “abortion destination” state.
- Long-term loss of revenues of unknown amounts to the state and its political subdivisions, because of a decrease in the workforce due to the number of children who are aborted before birth. Also, because of individuals who can no longer work after they become disabled as a result of unsafe abortions, sex-change operations, genital mutilation or other unspecified, unsafe “reproductive health care.” But more important than fiscal costs, the human cost to Missouri’s citizens is unimaginable.

Former-Auditor Galloway made a comparable analysis of the fiscal impacts when she issued her fiscal note and fiscal note summary on [HB 126 \(20-R001 on June 19, 2019\)](#) – the subject of a

referendum that year. Her fiscal note summary became part of the [official ballot title certified by Secretary of State on August 14, 2019](#), for the referendum on HB 126.

Supporting Information on Fiscal Impact of the 11 Initiative Petitions:

- The loss of federal Medicaid matching dollars, which in the proposed fiscal year 2024 budget **would be a loss of nearly \$12.5 billion**.
 - In FY 2023, Missouri lawmakers appropriated about \$16.9 billion for Medicaid (MO HealthNet) across state agencies. [The majority of Medicaid financing in 2023 – \\$10.6 billion – came from federal matching funds](#). The governor’s proposed budget for MO HealthNet for FY 2024 is nearly \$19.3 billion – [almost \\$12.5 billion which would come from federal funds](#).
 - The loss of federal Medicaid matching funds could occur if Missouri is out of compliance with federal Medicaid requirements, for example:
 - If the state cuts off Medicaid reimbursements to Catholic hospitals. This could be a result of the requirement in the initiative petitions that the “Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom.” This might include the state requiring Medicaid providers to sterilize patients, dispense puberty blockers or remove sex organs during sex-change operations.
 - This might also include the state requiring hospitals to participate in the horrendous practice of genital mutilation, currently prohibited by state law under [section 568.065](#), and for which no defense is allowed for “a matter of custom, ritual or standard practice, or [by] consent to the conduct by the child.”
 - But because of the broad-based definition of “reproductive health care” in the 11 initiative petitions (“including but not limited to”), state courts could easily find that genital mutilation is constitutionally protected activity, and strike down existing law.
 - However, for the state government to require Catholic health care providers (or others) to provide these procedures, it would be a violation of their conscience rights – for which the federal government could withhold from the state, Medicaid matching dollars.
 - For example, in California in 2020, [HHS disallowed \\$200 million in federal Medicaid matching funds per quarter due to the state’s unlawful abortion insurance mandate](#), which forced a Catholic order of religious sisters and a non-profit Christian Church to provide abortion health insurance coverage. See also:
 - [“The Fight Over California’s Abortion Coverage Mandate,” Regulatory Review](#), February 3, 2021 (“Can a state require that all health plans offered to its residents cover elective abortions? The federal government thinks not, and the state of California is poised to lose at least \$200 million in Medicaid dollars because it insists that health plans in its state cover abortion services.”)

- [“Federal agency says UVM Med Center forced nurse to assist in abortion,” VT Digger](#), August 28, 2019 (“The U.S. Department of Health and Human Services has accused the University of Vermont Medical Center of forcing a nurse to assist in an abortion procedure despite the nurse’s religious objections. ... The [letter from Roger Severino](#), the director of HHS’ Office for Civil Rights, asks the hospital to adjust its policies or face losing the federal funding it receives from HHS.”)
- There might be additional circumstances where state compliance with at least some of the proposed constitutional amendments would force the state to be out of compliance with federal Medicaid law, such as the state paying for abortions (or other procedures) with federal funds that are not permitted to be reimbursed under federal law. For example, the state might be compelled by the terms of some of the initiative petitions to pay for all abortions for all Medicaid-eligible females, because failing to do so might “discriminate against persons” if the state is paying for the labor and delivery of children for all Medicaid-eligible females. In other words, under the state constitution, Missouri might no longer be [“permitted to enact persuasive measures which favor childbirth over abortion”](#) (*Planned Parenthood v. Casey*, 505 U.S. 833, 886 (1992)). Such non-compliance with federal Medicaid law might also apply to other broad-based, undefined “reproductive health care,” which the state might also be compelled to pay for.
- Under the initiative petitions, the “Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.” “Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, ANY person of ANY age could legally provide, or assist another person in obtaining, an abortion, a sex-change operation, genital mutilation or other unspecified “reproductive health care.” **This could result in numerous, life-altering medical complications to the child or adult who underwent the “reproductive health care.”** Especially with abortion – particularly for abortions performed later in pregnancy – this could result in huge medical costs for her and her child **that are ultimately paid for by taxpayers.**
 - Regarding abortion, in Missouri, the [cost of inpatient medical procedures and emergency department services for treating “issues before childbirth with complications”](#) is a **median charge per person of \$11,977** – with a minimum charges of \$4,140 and a **maximum charge of \$35,345.**
 - And the cost could be even higher for an abortion-related ER visit. [One recent study](#) found that a “[p]atient concealment and/or physician failure to identify a prior abortion during an ER visit is a significant risk factor for a subsequent hospital admission.” In fact, “[c]hemical abortion patients whose abortions are misclassified

- as miscarriages during an ER visit subsequently experience on average 3.2 hospital admissions within 30 days. 86% of the patients ultimately have surgical removal of retained products of conception (RPOC).”
- According to the CDC, in 2020, nearly 10,000 Missouri residents obtained abortions ([9,980 total, but only 167 within the state](#)). Having unlicensed, non-medical personnel permitted to perform or induce abortions within the state on even a fraction of these 10,000 girls or women could result in untold harm to them now – and harm to their future health and fertility.
 - And there might be additional costs to the state or political subdivisions beyond treating the complications to girls or women from being provided abortions by non-physicians or even non-medical personnel. Any low-birthweight infant born alive after a late-term abortion could need long-term NICU care and possibly permanent assistance throughout childhood and during his or her adult life.
 - According to a [2020 New York Times story](#): “The March of Dimes estimates that the average societal cost of each preterm birth, which includes medical care, early intervention services and lost productivity, is \$65,000.”
 - That same story reported on a cost of \$4 million in NICU costs for triplets who were born prematurely.
 - [Preterm birth lifetime costs in the United States](#) (as of 2016) were “estimated to be \$25.2 billion: \$17.1 billion for medical care of persons born preterm, \$2.0 billion for delivery care, \$1.3 billion for early intervention and special education, and \$4.8 billion in lost productivity due to associated disabilities in adults.”
- **Other costs could be the licensing and inspection of multiple locations (potentially thousands of sites) as “abortion facilities,” as required under Missouri law.** This is because [section 197.205](#) requires that no person or governmental unit shall establish, conduct or maintain an abortion facility in the state without a license issued by the Missouri Department of Health and Senior Services (DHSS).
 - [Section 188.015](#) defines an “abortion facility” as “a clinic, physician’s office, or any other place or facility in which abortions are performed or induced other than a hospital”.
 - [Section 197.230](#) states that “[i]n the case of any abortion facility, the department [of health and senior services (DHSS)] shall make or cause to be made an unannounced on-site inspection and investigation at least annually.” Such on-site inspections and investigations must include a variety of areas relating to staffing and equipment to respond to medical emergencies, compliance with Missouri’s abortion laws and the requirement that continuous physician services or registered professional nursing services are to be provided whenever a patient is in the facility.
 - There are [more than 7,000 licensed pharmacists in Missouri](#), and under the proposed constitutional amendment, any pharmacy (or other place) where a pharmacist provides abortion pills, DHSS would be required to inspect and license. **This would**

be an enormous cost to the department and to taxpayers. And any other place where abortion pills would be provided (homes, schools, vending machines, doctor's offices, clinics, etc.) would also have to be inspected at least once a year and licensed.

- **Economic boycotts of Missouri and its businesses could result if the “Show-Me” state becomes the “Abort-Me” state, once it is transformed into the Midwest’s “abortion destination” – a distinct possibility since Missouri is “within a day’s reach of half of U.S. households”.**
 - Just as some pro-abortion advocates in other states are promoting boycotts of states like Missouri that currently protect unborn children from abortion, pro-life advocates in other states might boycott by no longer purchasing from Missouri businesses, or engaging in travel, tourism or shopping in Missouri. How tragic that would be for Missouri, which has been described as one of the top pro-life states in the country.
 - Some “red” states have been prohibiting or attempting to prohibit their governmental entities from doing business with financial firms in other states that take environmental, social and corporate governance (ESG) into consideration, and those same states and additional ones might extend that to any “abortion destination” state – which is what Missouri could become if any one of the 11 initiative petitions is enacted into law.
 - “Missouri tourism provides a \$13.5 billion economic impact that creates more than 257,000 jobs in the state,” according to the Missouri Division of Tourism. It could be a devastating loss to the state and its residents if Missouri became the abortion capital of the Midwest.
- By some estimates, the economic cost to the U.S. of abortion in 2019 – due to the loss of nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of GDP. **Missouri could experience increased economic loss if the number of abortions increases in the state.** And unsafe, legal abortions in the state could result in the disability of countless women who – perhaps permanently – would be unable to enter or remain in the workforce.
 - According to a June 15, 2022 report of the Joint Economic Committee – Congressional Republicans’ The Economic Cost of Abortion – the economic cost of an abortion due to the loss of unborn lives is 425 times larger than the earnings loss mothers could be expected to incur when having a child.”
 - According to a key finding in the report: “In the long run, abortion shrinks the labor force, stunts innovation, and limits economic growth. It also weakens the solvency of social insurance programs like Social Security and Medicare that rely on workers to support a growing elderly population.”
 - And as the International Planned Parenthood Federation has noted: “**Unsafe abortions** are performed by un- or under-trained providers ... It is possible to have an unsafe, legal abortion.” (underlining added)

- Under the initiative petitions, “any person assisting a person in exercising their right to reproductive freedom” shall not “be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, unlicensed, untrained persons of ANY age could perform unsafe, legal abortions or other “reproductive health care,” and the “Government shall not discriminate against persons ... in doing so.” While the economic cost of this policy is incalculable, more important and horrifying, the human cost to Missouri’s citizens is unimaginable.

Auditor Fitzpatrick, if we can be of further assistance, please do not hesitate to contact us.

Sam

Samuel H. Lee
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(314) 368-4242
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David C. Drury, Attorney at Law provided the following information:

Dear Auditor Fitzpatrick:

I am a licensed attorney in the St. Louis Metropolitan area who has practiced law here for the last fifty years.

Eleven similar proposals to destroy major Missouri laws which have existed for decades are being suggested by petition numbers 2024-077 to 2024-087.

As you are aware, section 116.175 et al requires that a fiscal note and fiscal note summary state a measure's estimated cost or savings to any state or local governmental entity. In general, a strong fiscal outlook is an essential foundation for a growing, thriving economy. The gap between income and spending is subsequently closed by government borrowing, something to ideally be avoided. Moreover, voters, especially in this conservative state, should be informed and educated of the costs of measures so radical they reverse and erase in one fell swoop the studied product of elected representatives. Indeed, the cost of a proposal may be the reason a voter decides against it.

As commented, the above proposals, although different in some respects, all contain much identical language. For example, the Preamble and first three numbered paragraphs (except 077 uses the word "entails" in line 2 or paragraph 2) are the same. All contain a "discrimination" paragraph, a "severability clause, and the definitions of "Government" are copied throughout. Other deletions or additions to the submissions do not detract from the fact that multiple unfavorable fiscal consequences will result if passage of any happens. So, I feel it is fair to say that these comments relate to each and every variation, rather than to repeat the same points one by one, over and over.

Another observation about which no one can reasonably disagree is that these are extremely broad, and being so broad are vague and ambiguous. Applications can be to an expansive variety of situations, all at costs to the state and local governmental agencies. This is especially the case in light of the present political structure of the federal government, and of course many federal monies flow to the State of Missouri. Another way of saying this, although a somewhat different point, is the potential, actually a likelihood, that direction of funding can be "weaponized", so state laws conform to federal ones. Thus, the state of Missouri is "fiscally" affected. The federal government and the states do not exist as if there is a wall in between. Money flows back and forth, and thus a state can easily be targeted and penalized by federal legislative and executive actions.

Most recently as this week President Biden proclaimed that it was "cruel" and "close to sinful" for Florida to ban subjecting children to sex-change procedures. (Not to subject the children, but to ban subjecting the children)! The aforesaid ballot proposals insist that the "right to reproductive freedom" shall not be denied, interfered with, delayed, or otherwise restricted, and governmental action should be deemed invalid. The ballot also uses language in paragraph 2 of all versions the clause "not limited to". It would thus appear that the subject of sex-change procedures, is included. Similarly, some of the

suggested versions require no parental or guardian consent whatsoever, and others only superficially address the subject with a sure-fire exception that a health care professional (not even a treating physician) can approve an abortion without consent if he/she thinks that getting consent may lead to emotional harm to the minor. All of the proposals do not even require that a physician is necessary to provide medical care. In fact you don't even need any license. Medical malpractice will automatically result. The harm to patients for this poor care, and the cost to the State for care of these patients will be an adverse fiscal result.

All of the above circumstances, would lead responsible hospitals and medical care providers to practice their profession with higher and different standards. And so they would refuse to abide by the above random, and harmful, provisions. Next, we come to the subject of "who is going to pay the bill"? Medicaid, as we know, pays an enormous amount of medical charges. Hospitals and doctors get reimbursed by the State, but the State must comply with federal law. If a State fails to follow the law, for the federal portion, which is over half, it may not get reimbursed. The State suffers fiscally. My numbers are that the State of Missouri receives 12.5 billion in federal Medicaid money.

What if, for example, Cardinal Glennon Hospital in St. Louis refused to perform sex change surgery on a minor, with or without parental consent, in its hospital? It is against its religious beliefs, among many other reasons. Can the hospital be denied Medicaid funds? The text of the proposals require such. The President has just declared that refusing to perform this is "cruel". If the State foots the bill and does not get reimbursed from the federal government, this is a fiscal loss.

Is medical insurance required to pay for "reproductive health care"? If so, these are expensive fiscal consequences of the proposals.

The proposals also yield enormous costs to the State in situations where persons or institutions refuse care against their medical "standard of care" but do not even require a license (creating a breeding ground for malpractice, and all of the expenses that come with it). With Medicaid, the state pays part of the bill, but may not get reimbursed the rest if the proposed bill is not followed. What about the "religious beliefs" of medical care providers. If, for example, Catholic hospitals are penalized, the State of Missouri could also be "fiscally" penalized.

What about the issue of prescribing pills to induce abortion---chemical abortion? Do these proposals mean that all care providers must not deny, restrict, or delay this form of abortion? Is the "government" discriminating against patients by not requiring care providers including pharmacists to dispense the pills? Can they be penalized by withholding of Medicaid payments?

The issue of federal Medicaid funds being disallowed has come up before. In December 2020 HHS and OCR announced that \$200 million in federal Medicaid funds going to California in the upcoming quarter were being denied. This was due to the state illegally mandating that all health care plans subject to regulation by the California Department

of Managed Health Care cover abortion without exclusion or limitation. Furthermore, if California did not come into compliance, additional disallowances would be imposed at a rate of \$200 million per quarter. In a Vermont case, receipt of federal funds because of discrimination against an employee who refused to participate in abortions was threatened. I mention this because of the potential fiscal effect on the State of Missouri if one of these proposals was passed.

So as not to overlook the obvious, the proposals if passed would surely make abortions easier in this state, depriving the state of countless future taxpaying citizens. These persons, if allowed to live, would work, create and staff businesses, produce products, and in general contribute to the economy. A growing population encourages others to move here which in turn results in additional fiscal activity. And, although much of the above addresses Medicaid costs, since fewer workers will be around to contribute to the Medicare system, this system will be under fiscal stress also.

These are only some of the immediate, short-term, and permanent unfortunate fiscal consequences to State and local government if any of the proposals pass.

Thank you for considering this information.

David C. Drury

Attorney at Law

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314-868-7460

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**Rachel U. Greszler, Senior Research Fellow in Economics, Budgets, and Entitlements,
The Heritage Foundation** provided the following information:

Date: March 17, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

Per Missouri's [fiscal impact](#) provisions, I have prepared the below fiscal note comments on the proposed ballot initiative "A Constitutional Amendment Concerning the Regulation of Abortion" as submitted to your office on March 9, 2023 as initiative petitions 24-077 through 24-087. My comments are my own and should not be construed as representing any official position of the Heritage Foundation.

Missouri is considering laws that would make abortion legal and easily accessible. The State should not take that step, simply because it would result in the death of thousands of innocent human beings. I offer this fiscal note to provide additional reasons that might persuade those who wrongly doubt that unborn human babies are persons.

By significantly reducing the number of births in the state, these laws would reduce the state's population growth and generate short- and long-term impacts on the state's output and its government finances. Abortion laws could also impact individuals' and families' personal finances, health, and wellbeing in ways that affect states revenues and expenses.

Population growth and economic growth go hand in hand so long as the necessary resources and infrastructure are in place to support that growth. Those resources and infrastructure are in place and the U.S. faces an unprecedented labor shortage. Recent declines in fertility rates threaten to reduce population growth and current and future economic growth. Moreover, government debt has created a situation in which the future wellbeing of current residents is dependent upon a growing population and workforce to pay for current debts and for unfunded obligations promised to retirees.

Since 2007, the [total fertility rate](#) in the U.S. declined from 2.11 births per woman (right at replacement rate) to just 1.66 births per woman in 2021. Missouri's total fertility rate declined from 2.08 in 2007 to 1.60 in 2021.

Compared to current law (in which abortion is illegal in Missouri except in instances in which the woman's life is in danger or her health is severely compromised), the proposed laws could

lead to an additional [2,000 to 9,000 abortions per year](#) in Missouri, depending on how expansive abortion access would become.¹ Based on population projections from the Census Bureau, and assuming a one-for-one correlation between increased abortions and reduced population, the proposed abortion laws could reduce Missouri's projected population by 0.3 percent to 1.4 percent over the next 10 years and by 0.6 percent to 2.7 percent over the next 20 years.

The state needs to consider the following potential effects of abortion-induced population decline in its impact analysis:

A reduced labor force. Fewer births and a smaller population means a smaller future labor force. While proponents of abortion make the economic case that abortion enables women to work and earn more, the additional measurable work and earnings of women as a result of having an abortion is miniscule compared to the potential lifetime work and earnings of another human being. Moreover, while having a child can reduce mothers' work and earnings, it tends to increase fathers' work and earnings—a factor that is ignored in abortion advocates economic claims.

Healthcare strain. Already, the U.S. faces [serious shortages](#) of healthcare workers and the population is continuing to age. Young people (those who would be aborted over the coming decades as a result of the proposed laws) consume very little healthcare, and as they reach working age, they are net providers of healthcare. This means the proposed laws could exacerbate healthcare worker shortages, limit Missourians' [access to healthcare](#), and potentially drive up the state's [healthcare costs](#) as shortages lead to higher prices. With Medicaid being Missouri's largest budgetary item (in FY 2022, Missouri's Medicaid spending was 74 percent greater than its K-12 education spending), and the state being limited by the federal government in its ability to reduce Medicaid spending, higher healthcare costs could impose significant budget constraints.

Reduced tax revenues. In the immediate future, fewer children born in Missouri could reduce sales and real estate tax revenues because households with children spend more and tend to live in higher-value housing. While the income tax revenues of women who have children could be lower if they work less after having children, the work and [earnings of men](#) tend to rise after they have children. In the decades following increased abortions, the absence of potentially tens of thousands of workers would lead to reduced income tax revenues. Although some state expenses are proportional to the number of residents and would decline over time, many expenses are not, and declining revenues would necessitate higher taxes or spending cuts.

Exacerbated unfunded pensions and other post-employment benefits. Depending on different assumptions and risk levels, Missouri has between [\\$36 billion](#) and [\\$171 billion](#) in unfunded pension and [other post-employment benefits](#). That is money that has already been promised to public sector workers and retirees, but which has not been set aside to provide those benefits. The American Legislative Exchange Council estimates that Missouri's unfunded pension liabilities alone amount to [\\$26,965 per capita](#) in 2021, and these unfunded liabilities are

¹ Estimated increase based on the number of abortions in Missouri, as reported by the [Missouri Department of Health and Senior Services](#) and the [Guttmacher Institute](#), reporting roughly 9,000 abortions around 2000-2001 and about 2,000 abortions around 2020-2021.

continuing to grow. The fewer people Missouri has, the larger the per-capita liabilities become, and the harder it will be to raise taxes on workers and employers without them moving to other states. Among many consequences, [economic analysis](#) shows that unfunded pension obligations lead to lower real estate values, which would reduce property tax revenues.

Conclusion

It is an unquestionable fact that the U.S. Constitution requires all state and local governments to uphold Americans' most fundamental natural rights, including that of the right to life. Not counting unborn humans as living beings and treating abortion as an exercise in economic eugenics is an assault on these rights and values.

Even then, the fiscal and economic perspectives of abortion advocates are lacking sufficient economic rigor. I offer this fiscal analysis that provides good reasons to reject the proposed amendments on premises that abortion advocates may be able to accept.

The proposed laws to legalize and expand abortion access in Missouri warrant a properly conducted fiscal analysis. As a part of the debate, policymakers must consider how increased abortions will affect Missouri's population, workforce, fundamental services such as healthcare, the states tax revenues and expenditures, and Missouri's ability to make good on its unfunded pension and other post-employment benefit obligations.

Respectfully,

Rachel U. Greszler
Senior Research Fellow in Economics, Budgets, and Entitlements
The Heritage Foundation
214 Massachusetts Ave, NE
Washington, DC 20002
Email: rachel.greszler@heritage.org

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The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.**

Fiscal Note Summary

State governmental entities estimate no costs or savings, but unknown impact. Local governmental entities estimate costs of at least \$51,000 annually in reduced tax revenues. Opponents estimate a potentially significant loss to state revenue.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 9, 2023

RECEIVED

MAR 09 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Anna Fitz-James regarding a proposed constitutional amendment to Article I, version 1 (2024-077)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Anna Fitz-James on March 8, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

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B. G. K.

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

My Commission Expires: _____ (Seal)

NOTICE: The proposed amendment revises Article I of the Constitution by adopting one new Section to be known as Article I, Section 36.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article I of the Constitution is revised by adopting one new Section to be known as Article I, Section 36 to read as follows:

Section 36. 1. This Section shall be known as “The Right to Reproductive Freedom Initiative.”

2. The Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom, which entails the right to make and carry out decisions about all matters relating to reproductive health care, including but not limited to prenatal care, childbirth, postpartum care, birth control, abortion care, miscarriage care, and respectful birthing conditions.

3. The right to reproductive freedom shall not be denied, interfered with, delayed, or otherwise restricted unless the Government demonstrates that such action is justified by a compelling governmental interest achieved by the least restrictive means. Any denial, interference, delay, or restriction of the right to reproductive freedom shall be presumed invalid. For purposes of this Section, a governmental interest is compelling only if it is for the limited purpose and has the limited effect of improving or maintaining the health of a person seeking care, is consistent with widely accepted clinical standards of practice and evidence-based medicine, and does not infringe on that person’s autonomous decision-making.

4. No person shall be penalized, prosecuted, or otherwise subjected to adverse action based on their actual, potential, perceived, or alleged pregnancy outcomes, including but not limited to miscarriage, stillbirth, or abortion. Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.

5. The Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.

6. Nothing in this Section requires government funding of abortion procedures other than as required by federal law.

7. If any provision of this Section or the application thereof to anyone or to any circumstance is held invalid, the remainder of those provisions and the application of such provisions to others or other circumstances shall not be affected thereby.

8. For purposes of this Section, the term “Government” means:

(1) the state of Missouri; or

(2) any municipality, city, town, village, township, district, authority, public subdivision or public corporation having the power to tax or regulate, or any portion of two or more such entities within the state of Missouri.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-077)**

Subject

Initiative petition from Anna Fitz-James regarding a proposed constitutional amendment to Article I. (Received March 9, 2023)

Date

March 29, 2023

Description

This proposal would amend Article I of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Susan Klein, Executive Director, Missouri Right to Life provided information to the State Auditor's office.

Samuel H. Lee, Campaign Life Missouri provided information to the State Auditor's office.

David C. Drury, Attorney at Law provided information to the State Auditor's office.

Rachel U. Greszler, Senior Research Fellow in Economics, Budgets and Entitlements, The Heritage Foundation provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-077 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated initiative petition 24-077IP proposes a constitutional amendment to Article I of the Missouri Constitution. The amendment would create "The Right to Reproductive Freedom Initiative," which entails the "right to make and carry out decisions about all matters relating to reproductive health care, including but not limited to prenatal care, childbirth, postpartum care, birth control, abortion care, miscarriage care, and respectful birthing conditions."

Section 36.3 states "the right to reproductive freedom shall not be denied, interfered with, delayed, or otherwise restricted unless the Government demonstrates that such action is justified by a compelling government interest achieved by the least restrictive means. For purposes of this Section, a governmental interest is compelling only if it is for the limited purpose and has the limited effect of improving or maintaining the health of a person seeking care, is consistent with widely accepted clinical standards of practice and evidence-based medicine, and does not infringe on that person's autonomous decision-making."

The amendment would also provide protections from penalization, prosecution, or adverse action based on pregnancy outcomes, including but not limited to miscarriage, stillbirth, or abortion. Protections would also be in place for healthcare providers who assist a consenting person in exercising their right to reproductive freedom.

The amendment limits the state government's authority to restrict reproductive health, including abortion care. The impact on the Department of Health and Senior Services will largely depend on the court's interpretation of the constitutional language and the extent the court determines that licensing and regulation of abortion facilities is overly restrictive to reproductive freedom. The court's interpretation has the potential to:

- Void all or most of the current statutes outlined in Chapter 188 that regulate abortion;
- Remove the Department's authority to license abortion facilities;
- Remove the Department's authority to regulate abortion facilities;
- Negate promulgated rules surrounding abortion; and/or
- Expand the practice of abortion and number of abortion facilities in Missouri; however, by how far is unpredictable.

The General Assembly will have the ability to enact laws that regulate abortion; however, there will be restrictions based on the amendment, as well as the court's interpretation of the restrictive nature of licensure and regulation.

Due to the various factors stated above, the proposed constitutional amendment has an unknown impact on their department.

- FY 2024 General Revenue: (\$0 to Unknown)
- FY 2025 General Revenue: (\$0 to Unknown)
- FY 2026 General Revenue: (\$0 to Unknown)

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article I version 1.

Officials from the **Department of Revenue** indicated the initiative petition does not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to reproductive issues does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petition 24-077 has no anticipated fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission on this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to reproductive issues will not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered

fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office is anticipated.

Officials from **Clay County** indicated they estimate no fiscal impact as a result of this initiative.

Officials from **Greene County** indicated in reviewing initiative petition 24-077 it has been determined there will be an increased cost to the County of Greene due to loss of tax revenue if voters vote to amend Article I version 1.

The Missouri Department of Health & Senior Services recorded 135 "resident abortions" for Greene County in 2020 and 118 in 2021. The population of Greene County per the 2020 United States census was 298,915. (<https://www.census.gov/quickfacts/fact/table/greenecountymissouri/PST045221>)

In terms of economic impact, Greene County received \$112,673,249 in sales and property taxes for calendar year 2022 (**\$376.94** per capita based on **2020** census data). Accordingly, calculations from these figures indicate an annual loss in population of **135** represents a cost to the County of **\$50,886.90**; an increase in abortion statistics could reasonably be extrapolated to illustrate less tax collections and revenues over the years of potential working lifetimes.

Please see the attached table demonstrating the anticipated yearly on per capita basis and the overall fiscal impact on Greene County tax collections and revenues based on the recorded abortions in 2020 by Missouri Department of Health and Senior Services.

Additional research regarding the broader fiscal impact of lower fertility rates on local and state communities and government budgets may be found here:

- <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/12/the-long-term-decline-in-fertility-and-what-it-means-for-state-budgets>

Greene County Collections in 2022	
2020 Population	298,915
Total Sales Tax Collected	126,986,094.91
Parks I	(8,226,052.01)
Parks II	(8,773,337.47)
Dan Kinney Bond from Parks I	(551,342.50)
LEST	(11,631,863.21)
Strafford TIF	(24,374.44)
Springfield Plaza TIF	(174,240.83)
Sales Tax Subtotal	97,604,884.45
Real Estate Tax	12,222,341.99
Personal Property Tax	2,846,022.58
Property Tax SubTotal	15,068,364.57
Total Taxes	112,673,249.02
Per Capita	376.94
Annual lost population	135
Annual Cost	50,886.90

Officials from **St. Louis County** indicated this has no fiscal impact on their county.

Officials from the **City of Jefferson City** indicated they do not think there would be a direct fiscal impact to the City of Jefferson imposed by Initiative Petition 24-077 proposing to amend Article I version 1. There could be an indirect fiscal impact resulting from increased lawsuits related to violations of the act.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis Community College** indicated they have reviewed the initiative ballot and believe the initiative would have no direct cost or revenue impact.

Susan Klein, Executive Director, Missouri Right to Life provided the following information:



PO Box 651
Jefferson City, MO 65102
573-635-5110
www.missourilife.org

March 15, 2023

Office of the Missouri State Auditor
The Honorable Scott Fitzpatrick
301 West High Street, Room 880
Jefferson City, MO 65102

Dear Auditor Fitzpatrick,

On behalf of the Members, Board and Staff of Missouri Right to Life, I submit to you our comments for consideration and inclusion in the fiscal note you will be preparing regarding the effects to the State of Missouri and its Local Governments of Initiative Petition(s) 2024-077 through 2024-087.

The Petitions Would Create Devastating Impacts for Missouri's Budget:

On March 8, 2023, 11 proposed initiative petitions (2024-077 through 2024-087) were filed with the Missouri Secretary of State's Office by Anna Fitz-James for a campaign committee called "Missourians for Constitutional Freedom." While each initiative petition has some slight variations, they are all identical in their purpose and their fiscal effects to General Revenue, Federal Funds, and Other Funds received by the State of Missouri and the impact to local governments.

The fiscal effects of some of the impacts of the petition(s) follow:

- **Abortion Injuries, Sanctions, Litigation and Loss of Federal Funding:** The petition will allow for abortions to be performed up until the moment of birth and possibly beyond. In addition to the loss of the life of the unborn child and the ending of his or her priceless contributions to our state and society, surgical and chemical abortions have risks and complications to the health of the mother. The cost impacts of surgical and medical abortion physical injuries would result in a devastating impact to Missouri's balanced budget due to an expansion of costs for Missouri's state and Federally-funded healthcare programs. In addition, women endure emotional trauma after an abortion. A massive increase in funding for mental health services would be required. Under current Federal law, states are barred from using Federal funds to pay for abortions except in limited cases (the Hyde Amendment). Federal funding could be in jeopardy and Missouri could be subject to the risk of litigation and sanctions, including the possibility of deferral or disallowance of federal financial participation in Missouri's Medicaid program. In 2019, more than \$7.2 billion in Federal funds were budgeted for Mo HealthNet services (Department of Social Services, Department of Mental Health, and Department of Health and Senior Services). The loss of these funds would be devastating to Missouri.

- **Loss of Licensing Fee Revenues/Penalties:** The petition will allow for anyone to perform an abortion with no penalty, prosecution or adverse action for performing the abortion. An abortion provider would no longer have a reason to maintain his or her license with the State of Missouri (and anyone who chose to perform an abortion would be protected under the Constitution to do so without any regulations or consequences). Missouri laws and regulations would be nullified, and licensing fees normally collected would decline.
- **Rural Hospitals Impacted:** Rural hospitals are already struggling. The petition will allow anyone to perform an abortion with no penalty, prosecution or regulation, and will result in a skyrocketing number of women injured by abortion who will need emergency services, flooding Emergency Rooms and health clinics and limiting or delaying access to emergency healthcare services needed by other individuals. This will result in a fiscal impact to the state. The state will also experience a fiscal impact through staff shortages as abortion-injured state employees seek medical care, surgery and recovery time off work to manage complications of abortion.
- **Missouri Could Face a Budgetary Crisis Due to Loss of Federal Funding from Violating Federal Conscience Laws:** The petition will force Missouri to be out of compliance with Federal conscience laws. This could result in the loss of billions of dollars of Federal funding, litigation and sanctions. If the Federal Government sanctions Missouri due to these violations, this will be devastating and create a budgetary crisis in Missouri. The state will also experience a fiscal impact through staff shortages as state employees flee state jobs where they feel their conscience is violated due to being forced to assist with an abortion.
- **Abortions Funded With Public Tax Dollars:** The petition will allow for the funding of abortions with public tax dollars. The language does not prohibit government funding of abortion procedures or of abortion providers. This would result in a massive fiscal impact to Missouri's balanced budget.
- **Constitutional Protections for Human Traffickers:** The petition will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion. This would result in Constitutional protections for child sex traffickers who impregnate their victims and coerce them into an abortion and would render ineffective Missouri law enforcement, prosecution and justice efforts tasked with upholding our Constitution and laws. The petition could hamper the Federal Government's efforts under The Trafficking Victims Protection Act of 2000 and other Federal laws and could result in sanctions from any Federal funding that Missouri would otherwise be eligible to receive.
- **Sex Changes, et. al, Funded With Public Tax Dollars:** The petition, under the guise of "The Right to Reproductive Freedom," will allow the funding of sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars. This would result in a massive fiscal impact to Missouri's balanced budget.

In summary, any fiscal note of the petition(s) should contain the following language and should also include the estimated fiscal net effects to the State of Missouri and its local government:

This initiative petition (a) will allow for abortions to be performed up until the moment of birth and possibly beyond, which would put Missouri in jeopardy of losing billions of dollars of Federal funding and create an unplanned strain on the state's General Revenue, Other and Local Funds as a result of abortion injuries, sanctions, litigation, loss of licensing fee/penalty revenues, and overloaded emergency rooms and healthcare facilities, (b) will put Missouri in violation of Federal conscience laws, which could result in a loss of billions of dollars of Federal funding and an increase of state and local government employee vacancies and litigation due to exercising their rights of conscience, (c) will allow for anyone to perform, or assist with, an abortion with no penalty, prosecution or adverse action for performing the abortion, thereby creating Constitutional protections for Human Traffickers which could result in a loss of Federal funding, and (d) will allow for the funding of abortions, sex change surgeries, puberty blockers, hormone therapy and other "reproductive services" with public tax dollars which would result in a massive fiscal impact to the State of Missouri and its local government budgets.

Sincerely,

A handwritten signature in cursive script that reads "Susan Klein". The signature is written in black ink and is positioned above the printed name and title.

Susan Klein
Executive Director
Missouri Right to Life

Samuel H. Lee, Campaign Life Missouri provided the following information:



Samuel Lee
Director

March 16, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

In accordance with the provisions of [section 116.175](#), this is a proposed statement of the fiscal impact of the 11 initiative petitions numbered 24-077 through 24-087, which your office received on March 9, 2023.

To summarize, the proposed ballot measures – all of which would amend the Missouri Constitution – could result in:

- A decrease in federal Medicaid revenues by an unknown amount, up to \$12.5 billion annually.
- Increased costs to taxpayers of unknown amounts, because of medical treatment of, or other services for, children or adults injured by abortions, sex-change operations, genital mutilation or other unspecified “reproductive health care” performed by unlicensed or untrained persons.
- Increased costs of an unknown amount to the Department of Health and Senior Services for the inspection and licensing of thousands of abortion facilities.
- Loss of revenue of unknown amounts to the state and its political subdivisions, because of boycotts of businesses, shopping, tourism or other revenue-generating activities, as a result of Missouri becoming the Midwest’s “abortion destination” state.
- Long-term loss of revenues of unknown amounts to the state and its political subdivisions, because of a decrease in the workforce due to the number of children who are aborted before birth. Also, because of individuals who can no longer work after they become disabled as a result of unsafe abortions, sex-change operations, genital mutilation or other unspecified, unsafe “reproductive health care.” But more important than fiscal costs, the human cost to Missouri’s citizens is unimaginable.

Former-Auditor Galloway made a comparable analysis of the fiscal impacts when she issued her fiscal note and fiscal note summary on [HB 126 \(20-R001 on June 19, 2019\)](#) – the subject of a

referendum that year. Her fiscal note summary became part of the [official ballot title certified by Secretary of State on August 14, 2019](#), for the referendum on HB 126.

Supporting Information on Fiscal Impact of the 11 Initiative Petitions:

- The loss of federal Medicaid matching dollars, which in the proposed fiscal year 2024 budget **would be a loss of nearly \$12.5 billion**.
 - In FY 2023, Missouri lawmakers appropriated about \$16.9 billion for Medicaid (MO HealthNet) across state agencies. [The majority of Medicaid financing in 2023 – \\$10.6 billion – came from federal matching funds](#). The governor’s proposed budget for MO HealthNet for FY 2024 is nearly \$19.3 billion – [almost \\$12.5 billion which would come from federal funds](#).
 - The loss of federal Medicaid matching funds could occur if Missouri is out of compliance with federal Medicaid requirements, for example:
 - If the state cuts off Medicaid reimbursements to Catholic hospitals. This could be a result of the requirement in the initiative petitions that the “Government shall not deny or infringe upon a person’s fundamental right to reproductive freedom.” This might include the state requiring Medicaid providers to sterilize patients, dispense puberty blockers or remove sex organs during sex-change operations.
 - This might also include the state requiring hospitals to participate in the horrendous practice of genital mutilation, currently prohibited by state law under [section 568.065](#), and for which no defense is allowed for “a matter of custom, ritual or standard practice, or [by] consent to the conduct by the child.”
 - But because of the broad-based definition of “reproductive health care” in the 11 initiative petitions (“including but not limited to”), state courts could easily find that genital mutilation is constitutionally protected activity, and strike down existing law.
 - However, for the state government to require Catholic health care providers (or others) to provide these procedures, it would be a violation of their conscience rights – for which the federal government could withhold from the state, Medicaid matching dollars.
 - For example, in California in 2020, [HHS disallowed \\$200 million in federal Medicaid matching funds per quarter due to the state’s unlawful abortion insurance mandate](#), which forced a Catholic order of religious sisters and a non-profit Christian Church to provide abortion health insurance coverage. See also:
 - [“The Fight Over California’s Abortion Coverage Mandate,” Regulatory Review](#), February 3, 2021 (“Can a state require that all health plans offered to its residents cover elective abortions? The federal government thinks not, and the state of California is poised to lose at least \$200 million in Medicaid dollars because it insists that health plans in its state cover abortion services.”)

- [“Federal agency says UVM Med Center forced nurse to assist in abortion,” VT Digger](#), August 28, 2019 (“The U.S. Department of Health and Human Services has accused the University of Vermont Medical Center of forcing a nurse to assist in an abortion procedure despite the nurse’s religious objections. ... The [letter from Roger Severino](#), the director of HHS’ Office for Civil Rights, asks the hospital to adjust its policies or face losing the federal funding it receives from HHS.”)
- There might be additional circumstances where state compliance with at least some of the proposed constitutional amendments would force the state to be out of compliance with federal Medicaid law, such as the state paying for abortions (or other procedures) with federal funds that are not permitted to be reimbursed under federal law. For example, the state might be compelled by the terms of some of the initiative petitions to pay for all abortions for all Medicaid-eligible females, because failing to do so might “discriminate against persons” if the state is paying for the labor and delivery of children for all Medicaid-eligible females. In other words, under the state constitution, Missouri might no longer be [“permitted to enact persuasive measures which favor childbirth over abortion”](#) (*Planned Parenthood v. Casey*, 505 U.S. 833, 886 (1992)). Such non-compliance with federal Medicaid law might also apply to other broad-based, undefined “reproductive health care,” which the state might also be compelled to pay for.
- Under the initiative petitions, the “Government shall not discriminate against persons providing or obtaining reproductive health care or assisting another person in doing so.” “Nor shall any person assisting a person in exercising their right to reproductive freedom with that person’s consent be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, ANY person of ANY age could legally provide, or assist another person in obtaining, an abortion, a sex-change operation, genital mutilation or other unspecified “reproductive health care.” **This could result in numerous, life-altering medical complications to the child or adult who underwent the “reproductive health care.”** Especially with abortion – particularly for abortions performed later in pregnancy – this could result in huge medical costs for her and her child **that are ultimately paid for by taxpayers.**
 - Regarding abortion, in Missouri, the [cost of inpatient medical procedures and emergency department services for treating “issues before childbirth with complications”](#) is a **median charge per person of \$11,977** – with a minimum charges of \$4,140 and a **maximum charge of \$35,345.**
 - And the cost could be even higher for an abortion-related ER visit. [One recent study](#) found that a “[p]atient concealment and/or physician failure to identify a prior abortion during an ER visit is a significant risk factor for a subsequent hospital admission.” In fact, “[c]hemical abortion patients whose abortions are misclassified

- as miscarriages during an ER visit subsequently experience on average 3.2 hospital admissions within 30 days. 86% of the patients ultimately have surgical removal of retained products of conception (RPOC).”
- According to the CDC, in 2020, nearly 10,000 Missouri residents obtained abortions ([9,980 total, but only 167 within the state](#)). Having unlicensed, non-medical personnel permitted to perform or induce abortions within the state on even a fraction of these 10,000 girls or women could result in untold harm to them now – and harm to their future health and fertility.
 - And there might be additional costs to the state or political subdivisions beyond treating the complications to girls or women from being provided abortions by non-physicians or even non-medical personnel. Any low-birthweight infant born alive after a late-term abortion could need long-term NICU care and possibly permanent assistance throughout childhood and during his or her adult life.
 - According to a [2020 New York Times story](#): “The March of Dimes estimates that the average societal cost of each preterm birth, which includes medical care, early intervention services and lost productivity, is \$65,000.”
 - That same story reported on a cost of \$4 million in NICU costs for triplets who were born prematurely.
 - [Preterm birth lifetime costs in the United States](#) (as of 2016) were “estimated to be \$25.2 billion: \$17.1 billion for medical care of persons born preterm, \$2.0 billion for delivery care, \$1.3 billion for early intervention and special education, and \$4.8 billion in lost productivity due to associated disabilities in adults.”
- **Other costs could be the licensing and inspection of multiple locations (potentially thousands of sites) as “abortion facilities,” as required under Missouri law.** This is because [section 197.205](#) requires that no person or governmental unit shall establish, conduct or maintain an abortion facility in the state without a license issued by the Missouri Department of Health and Senior Services (DHSS).
 - [Section 188.015](#) defines an “abortion facility” as “a clinic, physician’s office, or any other place or facility in which abortions are performed or induced other than a hospital”.
 - [Section 197.230](#) states that “[i]n the case of any abortion facility, the department [of health and senior services (DHSS)] shall make or cause to be made an unannounced on-site inspection and investigation at least annually.” Such on-site inspections and investigations must include a variety of areas relating to staffing and equipment to respond to medical emergencies, compliance with Missouri’s abortion laws and the requirement that continuous physician services or registered professional nursing services are to be provided whenever a patient is in the facility.
 - There are [more than 7,000 licensed pharmacists in Missouri](#), and under the proposed constitutional amendment, any pharmacy (or other place) where a pharmacist provides abortion pills, DHSS would be required to inspect and license. **This would**

be an enormous cost to the department and to taxpayers. And any other place where abortion pills would be provided (homes, schools, vending machines, doctor's offices, clinics, etc.) would also have to be inspected at least once a year and licensed.

- **Economic boycotts of Missouri and its businesses could result if the “Show-Me” state becomes the “Abort-Me” state, once it is transformed into the Midwest’s “abortion destination” – a distinct possibility since Missouri is “within a day’s reach of half of U.S. households”.**
 - Just as some pro-abortion advocates in other states are promoting boycotts of states like Missouri that currently protect unborn children from abortion, pro-life advocates in other states might boycott by no longer purchasing from Missouri businesses, or engaging in travel, tourism or shopping in Missouri. How tragic that would be for Missouri, which has been described as one of the top pro-life states in the country.
 - Some “red” states have been prohibiting or attempting to prohibit their governmental entities from doing business with financial firms in other states that take environmental, social and corporate governance (ESG) into consideration, and those same states and additional ones might extend that to any “abortion destination” state – which is what Missouri could become if any one of the 11 initiative petitions is enacted into law.
 - “Missouri tourism provides a \$13.5 billion economic impact that creates more than 257,000 jobs in the state,” according to the Missouri Division of Tourism. It could be a devastating loss to the state and its residents if Missouri became the abortion capital of the Midwest.
- By some estimates, the economic cost to the U.S. of abortion in 2019 – due to the loss of nearly 630,000 unborn lives – was at least \$6.9 trillion, or 32 percent of GDP. **Missouri could experience increased economic loss if the number of abortions increases in the state.** And unsafe, legal abortions in the state could result in the disability of countless women who – perhaps permanently – would be unable to enter or remain in the workforce.
 - According to a June 15, 2022 report of the Joint Economic Committee – Congressional Republicans’ The Economic Cost of Abortion – the economic cost of an abortion due to the loss of unborn lives is 425 times larger than the earnings loss mothers could be expected to incur when having a child.”
 - According to a key finding in the report: “In the long run, abortion shrinks the labor force, stunts innovation, and limits economic growth. It also weakens the solvency of social insurance programs like Social Security and Medicare that rely on workers to support a growing elderly population.”
 - And as the International Planned Parenthood Federation has noted: “**Unsafe abortions** are performed by un- or under-trained providers ... It is possible to have an unsafe, legal abortion.” (underlining added)

- Under the initiative petitions, “any person assisting a person in exercising their right to reproductive freedom” shall not “be penalized, prosecuted, or otherwise subjected to adverse action for doing so.” Thus, unlicensed, untrained persons of ANY age could perform unsafe, legal abortions or other “reproductive health care,” and the “Government shall not discriminate against persons ... in doing so.” While the economic cost of this policy is incalculable, more important and horrifying, the human cost to Missouri’s citizens is unimaginable.

Auditor Fitzpatrick, if we can be of further assistance, please do not hesitate to contact us.

Sam

Samuel H. Lee
Campaign Life Missouri
P.O. Box 142585
St. Louis, MO 63114-0585
(314) 368-4242
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P.O. Box 142585 • St. Louis, MO 63114-0585

David C. Drury, Attorney at Law provided the following information:

Dear Auditor Fitzpatrick:

I am a licensed attorney in the St. Louis Metropolitan area who has practiced law here for the last fifty years.

Eleven similar proposals to destroy major Missouri laws which have existed for decades are being suggested by petition numbers 2024-077 to 2024-087.

As you are aware, section 116.175 et al requires that a fiscal note and fiscal note summary state a measure's estimated cost or savings to any state or local governmental entity. In general, a strong fiscal outlook is an essential foundation for a growing, thriving economy. The gap between income and spending is subsequently closed by government borrowing, something to ideally be avoided. Moreover, voters, especially in this conservative state, should be informed and educated of the costs of measures so radical they reverse and erase in one fell swoop the studied product of elected representatives. Indeed, the cost of a proposal may be the reason a voter decides against it.

As commented, the above proposals, although different in some respects, all contain much identical language. For example, the Preamble and first three numbered paragraphs (except 077 uses the word "entails" in line 2 or paragraph 2) are the same. All contain a "discrimination" paragraph, a "severability clause, and the definitions of "Government" are copied throughout. Other deletions or additions to the submissions do not detract from the fact that multiple unfavorable fiscal consequences will result if passage of any happens. So, I feel it is fair to say that these comments relate to each and every variation, rather than to repeat the same points one by one, over and over.

Another observation about which no one can reasonably disagree is that these are extremely broad, and being so broad are vague and ambiguous. Applications can be to an expansive variety of situations, all at costs to the state and local governmental agencies. This is especially the case in light of the present political structure of the federal government, and of course many federal monies flow to the State of Missouri. Another way of saying this, although a somewhat different point, is the potential, actually a likelihood, that direction of funding can be "weaponized", so state laws conform to federal ones. Thus, the state of Missouri is "fiscally" affected. The federal government and the states do not exist as if there is a wall in between. Money flows back and forth, and thus a state can easily be targeted and penalized by federal legislative and executive actions.

Most recently as this week President Biden proclaimed that it was "cruel" and "close to sinful" for Florida to ban subjecting children to sex-change procedures. (Not to subject the children, but to ban subjecting the children)! The aforesaid ballot proposals insist that the "right to reproductive freedom" shall not be denied, interfered with, delayed, or otherwise restricted, and governmental action should be deemed invalid. The ballot also uses language in paragraph 2 of all versions the clause "not limited to". It would thus appear that the subject of sex-change procedures, is included. Similarly, some of the

suggested versions require no parental or guardian consent whatsoever, and others only superficially address the subject with a sure-fire exception that a health care professional (not even a treating physician) can approve an abortion without consent if he/she thinks that getting consent may lead to emotional harm to the minor. All of the proposals do not even require that a physician is necessary to provide medical care. In fact you don't even need any license. Medical malpractice will automatically result. The harm to patients for this poor care, and the cost to the State for care of these patients will be an adverse fiscal result.

All of the above circumstances, would lead responsible hospitals and medical care providers to practice their profession with higher and different standards. And so they would refuse to abide by the above random, and harmful, provisions. Next, we come to the subject of "who is going to pay the bill"? Medicaid, as we know, pays an enormous amount of medical charges. Hospitals and doctors get reimbursed by the State, but the State must comply with federal law. If a State fails to follow the law, for the federal portion, which is over half, it may not get reimbursed. The State suffers fiscally. My numbers are that the State of Missouri receives 12.5 billion in federal Medicaid money.

What if, for example, Cardinal Glennon Hospital in St. Louis refused to perform sex change surgery on a minor, with or without parental consent, in its hospital? It is against its religious beliefs, among many other reasons. Can the hospital be denied Medicaid funds? The text of the proposals require such. The President has just declared that refusing to perform this is "cruel". If the State foots the bill and does not get reimbursed from the federal government, this is a fiscal loss.

Is medical insurance required to pay for "reproductive health care"? If so, these are expensive fiscal consequences of the proposals.

The proposals also yield enormous costs to the State in situations where persons or institutions refuse care against their medical "standard of care" but do not even require a license (creating a breeding ground for malpractice, and all of the expenses that come with it). With Medicaid, the state pays part of the bill, but may not get reimbursed the rest if the proposed bill is not followed. What about the "religious beliefs" of medical care providers. If, for example, Catholic hospitals are penalized, the State of Missouri could also be "fiscally" penalized.

What about the issue of prescribing pills to induce abortion---chemical abortion? Do these proposals mean that all care providers must not deny, restrict, or delay this form of abortion? Is the "government" discriminating against patients by not requiring care providers including pharmacists to dispense the pills? Can they be penalized by withholding of Medicaid payments?

The issue of federal Medicaid funds being disallowed has come up before. In December 2020 HHS and OCR announced that \$200 million in federal Medicaid funds going to California in the upcoming quarter were being denied. This was due to the state illegally mandating that all health care plans subject to regulation by the California Department

of Managed Health Care cover abortion without exclusion or limitation. Furthermore, if California did not come into compliance, additional disallowances would be imposed at a rate of \$200 million per quarter. In a Vermont case, receipt of federal funds because of discrimination against an employee who refused to participate in abortions was threatened. I mention this because of the potential fiscal effect on the State of Missouri if one of these proposals was passed.

So as not to overlook the obvious, the proposals if passed would surely make abortions easier in this state, depriving the state of countless future taxpaying citizens. These persons, if allowed to live, would work, create and staff businesses, produce products, and in general contribute to the economy. A growing population encourages others to move here which in turn results in additional fiscal activity. And, although much of the above addresses Medicaid costs, since fewer workers will be around to contribute to the Medicare system, this system will be under fiscal stress also.

These are only some of the immediate, short-term, and permanent unfortunate fiscal consequences to State and local government if any of the proposals pass.

Thank you for considering this information.

David C. Drury

Attorney at Law

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St. Louis, Missouri 63137

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**Rachel U. Greszler, Senior Research Fellow in Economics, Budgets, and Entitlements,
The Heritage Foundation** provided the following information:

Date: March 17, 2023

State Auditor's Office
State Capitol
201 West Capitol Ave.
Jefferson City, MO 65101

Dear Auditor Fitzpatrick,

Per Missouri's [fiscal impact](#) provisions, I have prepared the below fiscal note comments on the proposed ballot initiative "A Constitutional Amendment Concerning the Regulation of Abortion" as submitted to your office on March 9, 2023 as initiative petitions 24-077 through 24-087. My comments are my own and should not be construed as representing any official position of the Heritage Foundation.

Missouri is considering laws that would make abortion legal and easily accessible. The State should not take that step, simply because it would result in the death of thousands of innocent human beings. I offer this fiscal note to provide additional reasons that might persuade those who wrongly doubt that unborn human babies are persons.

By significantly reducing the number of births in the state, these laws would reduce the state's population growth and generate short- and long-term impacts on the state's output and its government finances. Abortion laws could also impact individuals' and families' personal finances, health, and wellbeing in ways that affect states revenues and expenses.

Population growth and economic growth go hand in hand so long as the necessary resources and infrastructure are in place to support that growth. Those resources and infrastructure are in place and the U.S. faces an unprecedented labor shortage. Recent declines in fertility rates threaten to reduce population growth and current and future economic growth. Moreover, government debt has created a situation in which the future wellbeing of current residents is dependent upon a growing population and workforce to pay for current debts and for unfunded obligations promised to retirees.

Since 2007, the [total fertility rate](#) in the U.S. declined from 2.11 births per woman (right at replacement rate) to just 1.66 births per woman in 2021. Missouri's total fertility rate declined from 2.08 in 2007 to 1.60 in 2021.

Compared to current law (in which abortion is illegal in Missouri except in instances in which the woman's life is in danger or her health is severely compromised), the proposed laws could

lead to an additional [2,000 to 9,000 abortions per year](#) in Missouri, depending on how expansive abortion access would become.¹ Based on population projections from the Census Bureau, and assuming a one-for-one correlation between increased abortions and reduced population, the proposed abortion laws could reduce Missouri's projected population by 0.3 percent to 1.4 percent over the next 10 years and by 0.6 percent to 2.7 percent over the next 20 years.

The state needs to consider the following potential effects of abortion-induced population decline in its impact analysis:

A reduced labor force. Fewer births and a smaller population means a smaller future labor force. While proponents of abortion make the economic case that abortion enables women to work and earn more, the additional measurable work and earnings of women as a result of having an abortion is miniscule compared to the potential lifetime work and earnings of another human being. Moreover, while having a child can reduce mothers' work and earnings, it tends to increase fathers' work and earnings—a factor that is ignored in abortion advocates economic claims.

Healthcare strain. Already, the U.S. faces [serious shortages](#) of healthcare workers and the population is continuing to age. Young people (those who would be aborted over the coming decades as a result of the proposed laws) consume very little healthcare, and as they reach working age, they are net providers of healthcare. This means the proposed laws could exacerbate healthcare worker shortages, limit Missourians' [access to healthcare](#), and potentially drive up the state's [healthcare costs](#) as shortages lead to higher prices. With Medicaid being Missouri's largest budgetary item (in FY 2022, Missouri's Medicaid spending was 74 percent greater than its K-12 education spending), and the state being limited by the federal government in its ability to reduce Medicaid spending, higher healthcare costs could impose significant budget constraints.

Reduced tax revenues. In the immediate future, fewer children born in Missouri could reduce sales and real estate tax revenues because households with children spend more and tend to live in higher-value housing. While the income tax revenues of women who have children could be lower if they work less after having children, the work and [earnings of men](#) tend to rise after they have children. In the decades following increased abortions, the absence of potentially tens of thousands of workers would lead to reduced income tax revenues. Although some state expenses are proportional to the number of residents and would decline over time, many expenses are not, and declining revenues would necessitate higher taxes or spending cuts.

Exacerbated unfunded pensions and other post-employment benefits. Depending on different assumptions and risk levels, Missouri has between [\\$36 billion](#) and [\\$171 billion](#) in unfunded pension and [other post-employment benefits](#). That is money that has already been promised to public sector workers and retirees, but which has not been set aside to provide those benefits. The American Legislative Exchange Council estimates that Missouri's unfunded pension liabilities alone amount to [\\$26,965 per capita](#) in 2021, and these unfunded liabilities are

¹ Estimated increase based on the number of abortions in Missouri, as reported by the [Missouri Department of Health and Senior Services](#) and the [Guttmacher Institute](#), reporting roughly 9,000 abortions around 2000-2001 and about 2,000 abortions around 2020-2021.

continuing to grow. The fewer people Missouri has, the larger the per-capita liabilities become, and the harder it will be to raise taxes on workers and employers without them moving to other states. Among many consequences, [economic analysis](#) shows that unfunded pension obligations lead to lower real estate values, which would reduce property tax revenues.

Conclusion

It is an unquestionable fact that the U.S. Constitution requires all state and local governments to uphold Americans' most fundamental natural rights, including that of the right to life. Not counting unborn humans as living beings and treating abortion as an exercise in economic eugenics is an assault on these rights and values.

Even then, the fiscal and economic perspectives of abortion advocates are lacking sufficient economic rigor. I offer this fiscal analysis that provides good reasons to reject the proposed amendments on premises that abortion advocates may be able to accept.

The proposed laws to legalize and expand abortion access in Missouri warrant a properly conducted fiscal analysis. As a part of the debate, policymakers must consider how increased abortions will affect Missouri's population, workforce, fundamental services such as healthcare, the states tax revenues and expenditures, and Missouri's ability to make good on its unfunded pension and other post-employment benefit obligations.

Respectfully,

Rachel U. Greszler
Senior Research Fellow in Economics, Budgets, and Entitlements
The Heritage Foundation
214 Massachusetts Ave, NE
Washington, DC 20002
Email: rachel.greszler@heritage.org

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The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.**

Fiscal Note Summary

State governmental entities estimate no costs or savings, but unknown impact. Local governmental entities estimate costs of at least \$51,000 annually in reduced tax revenues. Opponents estimate a potentially significant loss to state revenue.



JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

March 3, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

MAR 03 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Winston Apple regarding a proposed constitutional amendment to Article III (2024-076)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Winston Apple on March 3, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR’S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator’s Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do _____ do not _____ (check one) expect to be paid for circulating this petition. If paid, list the payer
_____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20____

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article III of the Constitution is revised by amending Sections 50, 52(a), and 52(b) to read as follows:

Section 50(a). Initiative petitions proposing amendments to the constitution shall [be] have paper copies signed by and/or electronic statements of support submitted by eight percent of the legal voters in each of two-thirds of the congressional districts in the state, or have paper copies signed by one-third of the members of either house of the general assembly, and petitions proposing laws shall [be] have paper copies signed by and/or electronic statements of support submitted by five percent of such voters, or have paper copies signed by one-third of the members of either house of the general assembly.

Section 50(b). Every such petition shall have paper copies [be] filed with the secretary of state or statements of support submitted electronically not less than six months before they are to be voted on at the next general state election. Every such petition signed by members of the general assembly shall be filed with the secretary of state not less than sixty days before the next general election or a special election if one is ordered. A special election may be ordered by a resolution signed by one-third or more of the members of either house of the general assembly and submitted to the secretary of state at the same time petitions for a proposed law or constitutional amendment are submitted to the secretary of state.

Section 50(c). Every such petition and/or electronic statement of support shall contain an enacting clause and the full text of the measure. Petitions for constitutional amendments shall not contain more than one amended and revised article of this constitution, or one new article which shall not contain more than one subject and matters properly connected therewith, and the enacting clause thereof shall be "Be it resolved by the people of the state of Missouri that the Constitution be amended:". Petitions for laws shall contain not more than one subject which shall be expressed clearly in the title, and the enacting clause thereof shall be "Be it enacted by the people of the state of Missouri:".

Section 50(d). The governor shall facilitate electronic filing of statements of support by establishing and maintaining a system of Online Accounts for Politically Active Citizens. The governor shall be responsible for ensuring the security of that system and protecting the privacy of citizens utilizing that system.

Section 50(e). The secretary of state shall create a suitable form for electronic statements of support and make them available to citizens.

Section 52(a). A referendum may be ordered (except as to laws necessary for the immediate preservation of the public peace, health or safety, and laws making appropriations for the current expenses of the state government, for the maintenance of state institutions and for the support of public schools) either by petitions signed by five percent of the legal voters in each of two-thirds of the congressional districts in the state, or by petitions signed by one-third or more of the members of either house of the general assembly[, as other bills are enacted]. Referendum petitions shall be filed with the secretary of state not more than ninety days after the final adjournment of the session of the general assembly which passed the bill on which the referendum is demanded.

Section 52(b). The veto power of the governor shall not extend to measures referred to the people. All elections on measures referred to the people shall be had at the next general state election[s], except when one-third or more of the members of either house of the general assembly submit a resolution to the secretary of state [shall order] ordering a special election. Any such special election shall be held on the date specified in the resolution. The date of the special election shall be not less than sixty days after petitions for a referendum have been filed with the secretary of state, nor later than sixty days before the next general state election. Any measure referred to the people shall take effect when approved by a majority of the votes cast thereon, and not otherwise. This section shall not be construed to deprive any member of the general assembly of the right to introduce any measure.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-076)**

Subject

Initiative petition from Winston Apple regarding a proposed constitutional amendment to Article III. (Received March 3, 2023)

Date

March 23, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, and the **Clay County Board of Election Commissioners**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-076 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition will have no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition proposing to amend Article III.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of the petition.

Officials from the **Governor's office** indicated this proposal relates to initiatives and referendums and requires the governor to be responsible for establishing, maintaining and ensuring security of a system of Online Accounts for Politically Active Citizens. Presumably this system will be funded through the Office of Administration Information Technology Services Division which will also oversee day to day operations. The governor's specific duties can likely be absorbed through current Office of the Governor resources.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated this initiative petition has no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relates to initiatives and referendums and requires the governor to be responsible for establishing, maintaining and ensuring security of a system of Online Accounts for Politically Active Citizens. Presumably this system will be funded through the Office of Administration/Information Technology Services Division (ITSD) which will also oversee day-to-day operations. While there will likely be a fiscal impact to ITSD, ITSD cannot estimate that impact without more information regarding system specifications.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated this petition would create a method for citizens to provide electronic statements of support for ballot initiatives in lieu of signing a paper petition. The governor's office will create and maintain the electronic support system, but the Secretary of State (SOS) retains responsibility for processing the statements of support and applying them towards the sufficiency of the petition in question. Currently, the SOS uses an internal petition management system and so any modifications required to interface the two systems would be expected to use existing Information Technology resources. However, depending on the volume of electronic support statements submitted, it is possible that a new Elections Specialist FTE may be required to handle the additional workload beginning in FY25.

Each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, they estimate publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there may be an increased cost to their county if voters vote to amend Article III. The language in the initiative petition amends Article III to allow the members of the General Assembly to sign a petition calling for a referendum and states they may order a special election. In Section 52 (b) it also allows the General Assembly to set the date of the election and if the date of the election is set outside of a statutory election date then there may be costs to the county if no funds are appropriated to hold the election.

The cost to fund wholly an election for the County of Greene if no state funds are appropriated is estimated to be **\$342,002.07**.

Officials from **St. Louis County** indicated this has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this proposed amendment has no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **University of Missouri** indicated no fiscal impact from this mentioned petition.

Officials from **St. Louis Community College** indicated there is no cost or revenue to their college.

Officials from the **St. Louis County Board of Elections** indicated this would have no fiscal impact on their Board.

Officials from the **Kansas City Board of Election Commissioners** indicated if a Special election is called the State would be responsible for pro-rata share based on voter registration. The cost to conduct an election in the Kansas City portion of Jackson County is roughly \$650,000.

Officials from **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Clay County Board of Election Commissioners** indicated if they would have a Special Election, the cost would be approximately \$250,000.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, the St. Charles County Election Authority, the Board of Election Commissioners City of St. Louis, and the Jackson County Election Board.**

Fiscal Note Summary

State costs could increase if this petition results in more special elections, by an estimated \$10 million each special election. The state estimates additional costs of an unknown amount for its responsibilities related to a system of Online Accounts for Politically Active Citizens. Local entities estimate no costs or savings from this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

March 2, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

MAR 02 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Winston Apple regarding a proposed constitutional amendment to Article III (2024-075)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Winston Apple on March 2, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
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15.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do ____ do not ____ (check one) expect to be paid for circulating this petition. If paid, list the payer
_____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20__

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article III of the Constitution is revised by amending Sections 50, 52(a), and 52(b) to read as follows:

Section 50(a). Initiative petitions proposing amendments to the constitution shall [be] have paper copies signed by and/or electronic statements of support submitted by eight percent of the legal voters in each of two-thirds of the congressional districts in the state, or have paper copies signed by one-third of the members of either house of the general assembly, and petitions proposing laws shall [be] have paper copies signed by and/or electronic statements of support submitted by five percent of such voters, or have paper copies signed by one-third of the members of either house of the general assembly.

Section 50(b). Every such petition shall have paper copies [be] filed with the secretary of state or statements of support submitted electronically not less than six months before they are to be voted on at the next general state election. Every such petition signed by members of the general assembly shall be filed with the secretary of state not less than sixty days before the next general election or a special election if one is ordered. A special election may be ordered by a resolution signed by one-third or more of the members of either house of the general assembly and submitted to the secretary of state at the same time petitions for a proposed law or constitutional amendment are submitted to the secretary of state.

Section 50(c). Every such petition and/or electronic statement of support shall contain an enacting clause and the full text of the measure. Every signature affixed to paper copies of petitions shall be presumed to be valid unless formal proof that a signature is not valid is offered and, if such proof is contested, confirmed by the appropriate court of law. Petitions for constitutional amendments shall not contain more than one amended and revised article of this constitution, or one new article which shall not contain more than one subject and matters properly connected therewith, and the enacting clause thereof shall be "Be it resolved by the people of the state of Missouri that the Constitution be amended:". Petitions for laws shall contain not more than one subject which shall be expressed clearly in the title, and the enacting clause thereof shall be "Be it enacted by the people of the state of Missouri:".

Section 50(d). The governor shall facilitate electronic filing of statements of support by establishing and maintaining a system of Online Accounts for Politically Active Citizens. The governor shall be responsible for ensuring the security of that system and protecting the privacy of citizens utilizing that system.

Section 50(e). The secretary of state shall create a suitable form for electronic statements of support and make them available to citizens.

Section 52(a). A referendum may be ordered (except as to laws necessary for the immediate preservation of the public peace, health or safety, and laws making appropriations for the current expenses of the state government, for the maintenance of state institutions and for the support of public schools) either by petitions signed by five percent of the legal voters in each of two-thirds of the congressional districts in the state, or by petitions signed by one-third or more of the members of either house of the general assembly[, as other bills are enacted]. Referendum petitions shall be filed with the secretary of state not more than ninety days after the final adjournment of the session of the general assembly which passed the bill on which the referendum is demanded.

Section 52(b). The veto power of the governor shall not extend to measures referred to the people. All elections on measures referred to the people shall be had at the next general state election[s], except when one-third or more of the members of either house of the general assembly submit a resolution to the secretary of state [shall order] ordering a special election. Any such special election shall be held on the date specified in the resolution. The date of the special election shall be not less than sixty days after petitions for a referendum have been filed with the secretary of state, nor later than sixty days before the next general state election. Any measure referred to the people shall take effect when approved by a majority of the votes cast thereon, and not otherwise. This section shall not be construed to deprive any member of the general assembly of the right to introduce any measure.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-075)**

Subject

Initiative petition from Winston Apple regarding a proposed constitutional amendment to Article III. (Received March 2, 2023)

Date

March 22, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, and the **Clay County Board of Election Commissioners**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-075 and determined there is no impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article III.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact as a result of the petition.

Officials from the **Governor's office** indicated this proposal relates to initiatives and referendums and requires the governor to be responsible for establishing, maintaining and ensuring security of a system of Online Accounts for Politically Active Citizens. Presumably this system will be funded through the Office of Administration Information Technology Services Division which will also oversee day to day operations. The governor's specific duties can likely be absorbed through current Office of the Governor resources.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relates to initiatives and referendums and requires the governor to be responsible for establishing, maintaining and ensuring security of a system of Online Accounts for Politically Active Citizens. Presumably this system will be funded through the Office of Administration/Information Technology Services Division which will also oversee day to day operations.

The development of a new system would have a cost but the impact is unknown until the scope of system requirements is determined.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated this petition would create a method for citizens to provide electronic statements of support for ballot initiatives in lieu of signing a paper petition. The governor's office will create and maintain the electronic support system, but the Secretary of State (SOS) retains responsibility for processing the statements of support and applying them towards the sufficiency of the petition in question. Currently, the SOS uses an internal petition management system and so any modifications required to interface the two systems would be expected to use existing Information Technology resources. However, depending on the volume of electronic support statements submitted, it is possible that a new Elections Specialist FTE may be required to handle the additional workload beginning in FY25.

Each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes

the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, they estimate publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated there may be an increased cost to their county if voters vote to amend Article III. The language in the initiative petition amends Article III to allow the members of the General Assembly to vote for a referendum and states they may order a special election. In Section 52(b) it also allows the General Assembly to set the date of the election and if the date of the election is set outside of a statutory election date then there may be costs to the county if no funds are appropriated to hold the election.

The cost to wholly fund an election for the County of Greene if no state funds are appropriated is estimated to be **\$342,002.07**.

Officials from **St. Louis County** indicated this has no apparent fiscal impact to their county.

Officials from the **City of Kansas City** indicated the proposed amendment has no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated they do not believe it will cost the college or have a positive impact on revenues.

Officials from the **St. Louis County Board of Elections** indicated this would have no fiscal impact on their Board.

Officials from the **Kansas City Board of Election Commissioners** indicated if a Special election is called the State would be responsible for pro-rata share based on voter registration. The cost to conduct an election in the Kansas City portion of Jackson County is roughly \$650,000.

Officials from **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated there is no fiscal impact to their Board.

Officials from the **Clay County Board of Election Commissioners** indicated a Special Election would cost around \$250,000.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the St. Charles County Election Authority, and the Board of Election Commissioners City of St. Louis.**

Fiscal Note Summary

State costs could increase if this petition results in more special elections, by an estimated \$10 million each special election. The state estimates additional costs of an unknown amount for its responsibilities related to a system of Online Accounts for Politically Active Citizens. Local entities estimate no costs or savings from this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
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ELECTIONS DIVISION
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February 22, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

FEB 22 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Winston Apple regarding a proposed constitutional amendment to Article IV (2024-074)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Winston Apple on February 22, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
2.					
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do _____ do not _____ (check one) expect to be paid for circulating this petition. If paid, list the payer
_____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20__

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article III of the Constitution is revised by amending Section 52 (a) to read as follows:

Section 52(a). A referendum may be ordered (except as to laws necessary for the immediate preservation of the public peace, health or safety, and laws making appropriations for the current expenses of the state government, for the maintenance of state institutions and for the support of public schools) either by petitions signed by five percent of the legal voters in each of two-thirds of the congressional districts in the state, or by a one-third vote of the members of either house of the general assembly, who may order a special election by a one-third vote in either house in a separate resolution related to the proposed amendment. [as other bills are enacted.] Referendum petitions shall be filed with the secretary of state not more than ninety days after the final adjournment of the session of the general assembly which passed the bill on which the referendum is demanded.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-074)**

Subject

Initiative petition from Winston Apple regarding a proposed constitutional amendment to Article III. (Received February 22, 2023)

Date

March 14, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Charles County Election Authority**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, and the **Clay County Board of Election Commissioners**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated they have reviewed initiative petition 24-074 and determined there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article III.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department/director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate any fiscal impact.

Officials from the **Governor's office** indicated this proposal relating to referendums does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated Initiative Petitioner 24-074 will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to referendums does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, they estimate publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated initiative petition 24-074 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no impact from this petition.

Officials from **Greene County** indicated in reviewing initiative petition 24-074 it has been determined there may be an increased cost to the County of Greene if voters vote to amend Article III. The language in the initiative petition amends Article III to allow the members of the legislature to vote for a referendum and states they may order a special election. It would also appear they can set the date of the election and if the date of the election is set outside of a statutory election date then there may be costs to the county if no funds are appropriated to hold the election.

The cost to wholly fund an election for the County of Greene if no state funds are appropriated is estimated to be \$342,002.07.

Officials from **St. Louis County** indicated this initiative petition has no fiscal impact on their county.

Officials from the **City of Jefferson City** indicated in their opinion, Initiative Petition 24-074 proposing to amend Article III, would have no direct fiscal impact on their city assuming their city would not be responsible for paying to conduct any such election.

Officials from the **City of Kansas City** indicated this proposed amendment has no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated unknown fiscal impact to their college.

Officials from **St. Louis Community College** indicated they determined it does not have a cost savings or positive revenue impact on their District if passed.

Officials from the **St. Louis County Election Board** indicated this will have no fiscal impact on their Board of Elections.

Officials from the **City of St. Louis Board of Election Commissioners** indicated no fiscal impact.

Officials from the **Kansas City Board of Election Commissioners** indicated petition 24-074 has no fiscal impact on their operations.

Officials from **Platte County Board of Elections** indicated no fiscal impact to their Board.

Officials from the **Jackson County Election Board** indicated the initiative petition amending Article III – Initiative Petition 24-074 has no fiscal impact on their Board.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the St. Charles County Election Authority, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

February 22, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

FEB 22 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Winston Apple regarding a proposed constitutional amendment to Article III (2024-073)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Winston Apple on February 22, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do _____ do not _____ (check one) expect to be paid for circulating this petition. If paid, list the payer
_____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20____

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article IV of the Constitution is revised by repealing Sections 7, 8, 18, 25, and 26, and amending Sections 1 and 17 to read as follows:

Section 1. The [supreme] executive power shall be vested in a governor.

[Section 7. The governor shall have power to grant reprieves, commutations and pardons, after conviction, for all offenses except treason and cases of impeachment, upon such conditions and with such restrictions and limitations as he may deem proper, subject to provisions of law as to the manner of applying for pardons. The power to pardon shall not include the power to parole.]

[Section 8. Every resolution to which the concurrence of the senate and house of representatives may be necessary, except on questions of adjournment, going into joint session, and of amending this constitution, shall be presented to the governor, and before the same shall take effect, shall be proceeded upon in the same manner as in the case of a bill; provided, that no resolution shall have the effect to repeal, extend, or amend any law.]

Section 17. (a) Upon the expiration of the terms being served by the [The] governor, lieutenant governor, secretary of state, state treasurer, [and] attorney general [shall be elected at the presidential elections for terms of four years each. The] and state auditor at the time this amendment takes effect, the persons holding those offices shall be elected by the General Assembly. [for a term of two years at the general election in the year 1948, and his successors shall be elected for terms of four years. No person shall be elected governor or treasurer more than twice, and no person who has held the office of governor or treasurer, or acted as governor or treasurer, for more than two years of a term to which some other person was elected to the office of governor or treasurer shall be elected to the office of governor or treasurer more than once.]

(b) Elections for governor, lieutenant governor, secretary of state, state treasurer, attorney general, and state auditor may be called separately at any time by a majority vote of the members of either house. Any member of the General Assembly shall be able to nominate candidates for each office. If more than two candidates are nominated for an office the election shall be conducted using ranked choice voting, with each member of the General Assembly being able to rank as many of the candidates for each office as they wish to rank, in order of preference.

(c) Tabulation of the results shall proceed in sequential rounds. In the first round, only first-choice votes are tabulated. If a candidate receives a majority of the first-choice votes that candidate is elected. If no candidate receives a majority of the first-choice votes cast, the candidate with the lowest number of first-choice votes is eliminated and the candidates listed as the second choice on ballots cast for the candidate being eliminated are distributed among the "continuing candidates". In each subsequent round, the candidate who has the fewest "cumulative votes" is eliminated and the highest remaining choice for a continuing candidate on each ballot for the eliminated candidate shall be redistributed, in ranked order, as needed, among the continuing candidates. Ballots that do not rank any continuing candidate will be "exhausted ballots" and will not be counted in that round or subsequent rounds. This process shall be repeated for as many rounds as needed until one candidate wins election by receiving a majority of the total cumulative votes.

(d) A random selection algorithm shall be determined, prior to tabulation, to resolve ties between candidates. If a tie occurs at any point in the tabulation procedure and tabulation cannot proceed until the tie is resolved, then the random selection algorithm shall resolve the tie.

(e) The heads of all the executive departments shall be appointed by the governor, by and with the advice and consent of the General Assembly [senate]. All appointive officers may be removed by the governor and shall possess the qualifications required by this constitution or by law.

Section 18. The returns of every election for governor, lieutenant governor, secretary of state, state auditor, state treasurer and attorney general shall be sealed and transmitted by the returning officers to the secretary of state, who shall appoint two disinterested judges of a court of record of the state, and the three shall constitute a board of state canvassers. The board shall meet at the state capitol on, or at the call of the secretary of state before, the second Tuesday of December next after the election and forthwith open and canvass the returns of the votes cast and from the face thereof ascertain and proclaim the result of the election. The persons having the highest number of votes for the respective offices shall be declared elected, and if two or more persons have an equal and the highest number of votes for the same office, at its next regular session the general assembly, by joint vote and without delay, shall choose one of such persons for the office.]

Section 25. Until it acts on all the appropriations recommended in the budget, neither house of the general assembly shall pass any appropriation other than emergency appropriations recommended by the governor.]

Section 26. The governor may object to one or more items or portions of items of appropriation of money in any bill presented to him, while approving other portions of the bill. On signing it he shall append to the bill a statement of the items or portions of items to which he objects and such items or portions shall not take effect. If the general assembly be in session he shall transmit to the house in which the bill originated a copy of the statement, and the items or portions objected to shall be reconsidered separately. If it be not in session he shall transmit the bill within forty-five days to the office of the secretary of state with his approval or reasons for disapproval. The governor shall not reduce any appropriation for free public schools, or for the payment of principal and interest on the public debt.]



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

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ELECTIONS DIVISION
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February 22, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

FEB 22 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Winston Apple regarding a proposed constitutional amendment to Article I (2024-072)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Winston Apple on February 22, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR’S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator’s Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do _____ do not _____ (check one) expect to be paid for circulating this petition. If paid, list the payer _____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20____

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article I of the Constitution, which begins with the words “*In order to assert our rights, acknowledge our duties, and proclaim the principles on which our government is founded, we declare*”, is revised by amending Section 33 to read as follows:

Section 33. That the end of law is not to abolish or restrain, but to preserve and enlarge freedom; that our natural right to liberty includes the right to determine our gender identity for ourselves and our natural right to pursue happiness includes the freedom to express and act upon our sexual orientation, so long as our free exercise of these rights does not infringe upon the rights of others to do the same; that consenting adults have the right to form civil unions and/or join together in the sacred bonds of marriage; that persons not yet of the age of consent have the right, with the consent of a biological parent or legal guardian, to seek gender-affirming care or counselling with regard to gender identification and/or sexual orientation; and that health care providers, ministers and clergy, and educators may, at their own discretion, exercise their right to provide counsel to persons, including those not yet of the age of consent, seeking guidance and/or comfort with regard to matters relating to gender identification and sexual orientation. [to be valid and recognized in this state, a marriage shall exist only between a man and a woman.]



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
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ELECTIONS DIVISION
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February 17, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

FEB 17 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Harry Cooper regarding a proposed constitutional amendment to Article III, version 2 (2024-071)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Harry Cooper on February 16, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by amending Section 8.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article III of the Constitution is revised by amending Section 8 as follows:

Section 8.

1. The legislature shall propose no measure reducing voters' direct legislative power, notwithstanding any provision of this Constitution to the contrary.
2. The legislature shall not change any voter-initiated law without a referendum at a general election or three-quarters' consent in the House and in the Senate, unless more than seven years have passed since voters approved the law, notwithstanding any provision of this Constitution to the contrary.
3. No one shall be elected to serve more than eight years as a member of the House, nor more than eight years as a member of the Senate [total in any one house of the General Assembly nor more than sixteen years total in both houses of the General Assembly].
4. Legislators' term limit of eight years' membership in the House plus eight years' membership in the Senate is hereby replaced with a simplified term limit of sixteen years' total membership in the legislature, notwithstanding subsection 3 of this section to the contrary, so long as voters' direct legislative power is not reduced relative to 2022.
5. Voters' direct legislative power is defined as "reduced relative to 2022" if and only if:
 - (1) it is no longer the case that legal voters have the constitutional right to directly enact, by majority of votes cast thereon, laws and amendments proposed by initiative petition and relating to any of the subjects on which the legislature can propose laws and amendments, excluding any subject prohibited by this Constitution as of December 31, 2022, with signatures from five percent of the legal voters in each of two-thirds of Missouri's congressional districts sufficient to propose a law, and with signatures from eight percent of the legal voters in each of two-thirds of Missouri's congressional districts sufficient to propose an amendment, the signatures required calculated based on the most recent total general-election vote for governor; or
 - (2) it is no longer the case that legal voters have the constitutional right to order by petition a referendum on any act of the legislature (except as to laws necessary for the immediate preservation of the public peace, health or safety, and laws making appropriations for the current expenses of the state government, for the maintenance of state institutions and for the support of public schools), with signatures from five percent of the legal voters in each of two-thirds of Missouri's congressional districts sufficient to order such a referendum, the signatures required calculated based on the most recent total general-election vote for governor.
6. For the purposes of this section, a "voter-initiated law" is defined to be a law that the people have proposed and enacted by the initiative.
7. For the purposes of this section, the legislature is defined to "change" a voter-initiated law if it passes a bill which modifies, repeals, or overrides any part of said law, whether with or without the signature of the governor.
8. In applying subsections 3 and 4 of this section, service in the General Assembly resulting from an election prior to December 3, 1992, or service of less than one year, in the case of a member of the house of representatives, or two years, in the case of a member of the senate, by a person elected after December 5, 2002, [the effective date of this section] to complete the term of another person, shall not be counted.
9. If any provision of subsections 1, 2, 3, 4, 5, 6, 7, or 8 of this section or the application thereof to anyone or to any circumstance is held invalid, the remainder of those provisions and the application of such provisions to others or other circumstances shall not be affected thereby.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-071)**

Subject

Initiative petition from Harry Cooper regarding a proposed constitutional amendment to Article III. (Received February 17, 2023)

Date

March 09, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated they do not anticipate any fiscal impact with the passage of this petition.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact.

Officials from the **Governor's office** indicated this proposal relating to initiative petitions and term limits does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated this initiative petition will have no negative fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to initiative petitions and term limits does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they coordinated with the Election Board and estimate no costs or savings from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county.

Officials from **St. Louis County** indicated this has no fiscal impact to their county.

Officials from the **City of Jefferson** indicated this initiative petition would not have a direct fiscal impact to their city.

Officials from the **City of Kansas City** indicated this proposed amendment has no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they have reviewed the proposed initiative and do not believe there is a net cost or revenue to the college if it should pass.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

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February 17, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

FEB 17 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Harry Cooper regarding a proposed constitutional amendment to Article III, version 1 (2024-070)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Harry Cooper on February 16, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
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9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by amending Section 8.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article III of the Constitution is revised by amending Section 8 as follows:

Section 8.

1. The legislature shall propose no measure reducing voters' direct legislative power, notwithstanding any provision of this Constitution to the contrary.
2. The legislature shall not change any voter-initiated law without a referendum at a general election or three-quarters' consent in the House and in the Senate, unless more than seven years have passed since voters approved the law, notwithstanding any provision of this Constitution to the contrary.
- 3.[No one shall be elected to serve more than eight years total in any one house of the General Assembly nor more than sixteen years total in both houses of the General Assembly.] Each legislator shall be limited to sixteen years' overall service in the legislature, rather than eight years in the House plus eight years in the Senate, and the limit shall lower to twelve years if voters' direct legislative power is reduced relative to 2022. In applying this subsection, service in the General Assembly resulting from an election prior to December 3, 1992, or service of less than one year, in the case of a member of the house of representatives, or two years, in the case of a member of the senate, by a person elected after December 5, 2002,[the effective date of this section] to complete the term of another person, shall not be counted. This subsection shall not prevent any person from completing a term granted them by the voters at an election occurring prior to December 5, 2024.
4. It is defined to be the case that voters' direct legislative power "is reduced relative to 2022" if and only if:
 - (1) it is no longer the case that legal voters have the constitutional right to directly enact, by majority of votes cast thereon, laws and amendments proposed by initiative petition and relating to any of the subjects on which the legislature can propose laws and amendments, excluding any subject prohibited by this Constitution as of December 31, 2022, with signatures from five percent of the legal voters in each of two-thirds of Missouri's congressional districts sufficient to propose a law, and with signatures from eight percent of the legal voters in each of two-thirds of Missouri's congressional districts sufficient to propose an amendment, the signatures required calculated based on the most recent total general-election vote for governor; or
 - (2) it is no longer the case that legal voters have the constitutional right to order by petition a referendum on any act of the legislature (except as to laws necessary for the immediate preservation of the public peace, health or safety, and laws making appropriations for the current expenses of the state government, for the maintenance of state institutions and for the support of public schools), with signatures from five percent of the legal voters in each of two-thirds of Missouri's congressional districts sufficient to order such a referendum, the signatures required calculated based on the most recent total general-election vote for governor.
5. For the purposes of this section, a "voter-initiated law" is defined to be a law that the people have proposed and enacted by the initiative.
6. For the purposes of this section, the legislature is defined to "change" a voter-initiated law if it passes a bill which modifies, repeals, or overrides any part of said law, whether with or without the signature of the governor.
7. If any provision of subsections 1, 2, 3, 4, 5, or 6 of this section or the application thereof to anyone or to any circumstance is held invalid, the remainder of those provisions and the application of such provisions to others or other circumstances shall not be affected thereby.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-070)**

Subject

Initiative petition from Harry Cooper regarding a proposed constitutional amendment to Article III. (Received February 17, 2023)

Date

March 09, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated they do not anticipate any fiscal impact with the passage of this petition.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact.

Officials from the **Governor's office** indicated this proposal relating to initiative petitions and term limits does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated this initiative petition will have no negative fiscal impact on their department.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to initiative petitions and term limits does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, they estimate publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition has no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they coordinated with the Election Board and estimate no costs or savings from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St. Louis County** indicated this has no fiscal impact to their county.

Officials from the **City of Jefferson** indicated this initiative petition would not have a direct fiscal impact to their city.

Officials from the **City of Kansas City** indicated this proposed amendment has no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they have reviewed the proposed initiative and do not believe there is a net cost or revenue to their college if it should pass.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

February 14, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

FEB 14 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Winston Apple regarding a proposed constitutional amendment to Article III (2024-069)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Winston Apple on February 14, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.


INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

2023 FEB 14 AM 9:32
RECEIVED



CIRCULATOR’S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator’s Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
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7.					
8.					
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11.					
12.					
13.					
14.					
15.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do ____ do not ____ (check one) expect to be paid for circulating this petition. If paid, list the payer
_____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20__

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article III of the Constitution is revised by amending Section 52 (a) to read as follows:

Section 52(a). A referendum may be ordered (except as to laws necessary for the immediate preservation of the public peace, health or safety, and laws making appropriations for the current expenses of the state government, for the maintenance of state institutions and for the support of public schools) either by petitions signed by five percent of the legal voters in each of two-thirds of the congressional districts in the state, or by a one-third vote of the members of either house of the general assembly, as other bills are enacted. Referendum petitions shall be filed with the secretary of state not more than ninety days after the final adjournment of the session of the general assembly which passed the bill on which the referendum is demanded.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 30, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 30 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII, version 5 (2024-068)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Frederic Steinbach on January 27, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

County _____
Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____		I, _____ being first duly sworn, say (print names of signers)				
	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
2						
3						
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10						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Subscribed and sworn to before me this _____ day of _____, A.D. _____	
Printed Name of Affiant	City, State and Zip Code of Affiant	Signature of Notary	Address of Notary

(Seal)

RECEIVED
2023 JAN 27 PM 2:59
John R. Ashcroft

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting five new Sections to be known as Article VIII, Sections 8, 9, 10, 12, and 13.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting five new Sections to be known as Article VIII, Sections 8, 9, 10, 12, and 13 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly, or through citizen initiative or referendum, shall be unbiased, fair, and sufficient and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. Prior to the certification of the election results, each election authority shall, at a minimum, undertake a manual audit of randomly selected precincts which shall equal the greater of: 5% of all election precincts within the election authority's jurisdiction, one precinct, or any number required by law. No such audit shall be performed, conducted, or overseen by any non-governmental entity. All ballots cast at such election by qualified registered voters in such precincts shall be subject to the manual audit. The manual audit shall be open to the public, be completed within fourteen (14) days of the conclusion of the election, and results from the manual audit shall be publicly available within two (2) days after its completion. If, based on the manual audit, the election authority finds evidence of errors in the original tabulation that would change the result of any election or exceed a threshold established by law, the manual audit shall be converted to a full and binding manual recount of all ballots in that election. At least once every four years, each election authority shall file a written report, including documentation, with the secretary of state demonstrating that the election authority conducted at a minimum the manual audit required in this section. Such report shall be a public record.

Section 10. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, polled for one of its candidates for any statewide office more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party at any two consecutive general elections fails to poll for a candidate for any statewide office more than two percent of the entire vote cast for the office.

4. Any person desiring to be an independent candidate for any state or federal office to be filled by voters, shall file a petition with the secretary of state. Any person desiring to be an independent candidate for any county office shall file a petition with the election authority of the county. If an independent candidate is to be nominated for a statewide office, the petition shall be signed by at least ten thousand registered voters of the state. If the independent candidate is to be nominated for a district or county office, the petition shall be signed by the number of registered voters in the district or county which is equal to at least two percent of the total number of voters who voted at the last general election for candidates for the office being sought or is equal to ten thousand voters, whichever is less.

Section 12. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

Section 13. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-068)**

Subject

Initiative petition from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII. (Received January 30, 2023)

Date

February 17, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, the **Clay County Board of Election Commissioners**, and the **State Auditor's office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department does not foresee a fiscal impact with this petition.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated no impact to their department.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to ballot measures and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated their department does not anticipate any fiscal impact from Initiative Petition 24-068.

Officials from the **Department of Transportation** indicated no fiscal impact expected from their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to ballot measures and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated they defer to the response provided by the Clay County Board of Election Commissioners.

Officials from **Greene County** indicated there will be an increased cost to their county if voters vote to amend Article VIII, version 5. Section 9 is the only section of the sections in Article VIII where a cost increase is anticipated.

Section 9:

Currently a manual hand-counting audit is performed after each election for no less than 5% of all voting precincts in any election. In a general election, five separate contests on the ballot are randomly selected to be manually counted. The language in Section 9 appears to require all contests on the ballot to be hand counted.

In analyzing the estimated cost for this petition, the county looked at the costs to complete a manual count for the August 2022 and November 2022. There was no significant cost increase for the April election with this measure.

August 2022

In August 2022, it took 10 election judges (5 bi-partisan teams) a total of seven hours (per team) to complete the manual recount for 5 precincts for 5 contests. This cost was approximately **\$857.50**.

The average Greene County ballot in August 2022 had a total of 12 contests and ballot issues on the ballot.

7 hours divided by 5 contests equals 1.4 hours per contest. 1.4 hours per contest multiplied by 12 contests equals 16.8 hours. 16.8 x 10 election judges equals 168 hours in total. It is important to note the hourly rate has now increased to **\$14.75** (effective January 1, 2023) from **\$12.25** (2022 hourly rate). Total estimated cost with this formula: **\$2,478**.

August Primary Estimated Cost Increase: \$1,620.50

November 2022

In November 2022, it took 10 election judges (5 bi-partisan teams) approximately 126 hours total to complete the manual recount for 5 precincts for 5 contests. This cost was **\$1,543.50**.

The average Greene County ballot in November 2022 had a total of 25 contests and ballot issues on the ballot.

126 hours divided by 5 contests equals 25.2 hours per contest. 25.2 hours per contest multiplied by 25 contests equals 630 hours. It is important to note the hourly rate has now increased to \$14.75 (effective January 1, 2023) from \$12.25 (November 2022 hourly rate). Total estimated cost with this formula: **\$9,292.50**

November General Estimated Cost Increase: \$7,749.00

The following total estimated cost increase is the sum of 3 elections during a general election year when a minimum of 3 public elections would be held.

Total General Election Year Estimated Cost Increase: \$9,369.50

Officials from **St. Louis County** indicated there is no anticipated fiscal impact for their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they do not believe it has a cost or revenue impact to their college.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no impact.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition requires the checking of petitions which could cost an additional \$2,500 for elections conducted in even numbered years, (Primary \$1,250, General \$1,250).

This petition requires manual auditing of 5% of the election ballots cast. Since certification must be done within 14 days of election day and all questions and candidates would be audited (not a random sample), additional staff o/t and temporary expense totaling \$10,000 per election would be needed to audit all the races and questions in a large ballot. Smaller ballots with fewer candidates and questions would have a reduced cost. If for some reason, the audit results were above the acceptable tolerance, all ballots would need to be manually audited, the cost could be closer to \$50,000 to perform this task within the 14 day certification period.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated that if a full manual recount of the entire election were required a massive number of part-time workers would need to be hired to conduct the manual recount. A separate place would need to be rented to accommodate those part-time workers and transportation and security for ballots arranged.

Section 10

Part-time Workers – Large Election	\$12,000.00
Rental for 6-7 days	\$ 5,000.00
Security & Transportation of Ballots	\$ 3,000.00

April, August & November Elections of Even-Numbered Years	
Should a full manual recount be needed	\$20,000.00 (per election)

Officials from the **Clay County Board of Election Commissioners** indicated most of this they already do. The 5% audit with a manual recount is something they have always done. The only costs they see that might come in to play would be if there was a discrepancy and they had to do a full hand recount of all ballots. The costs for that would be anywhere from \$3,500 to \$15,000 depending on how many bi-partisan teams to do the count. Those costs would depend on how many days it took at 8 hours a day with 10 teams. These figures range from 1 day to 5 days and could be more depending on how big election is and how many ballots were cast.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.**

Fiscal Note Summary

State governmental entities estimate no costs or savings for this proposal. Local governmental entities estimate costs could increase by at least \$33,500 to \$85,000 each municipal general election, \$35,121 to \$86,621 each primary election, and \$41,249 to \$92,749 each general election.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 30, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 30 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII, version 4 (2024-067)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Frederic Steinbach on January 27, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

County _____

Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____		I, _____ being first duly sworn, say (print names of signers)				
	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
2						
3						
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Subscribed and sworn to before me this _____ day of _____, A.D. _____	
Printed Name of Affiant	City, State and Zip Code of Affiant	Signature of Notary	Address of Notary

(Seal)

RECEIVED
2023 JAN 27 PM 2:58
John R. Ashcroft
Secretary of State

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly, or through citizen initiative or referendum, shall be unbiased, fair, and sufficient and to the extent possible shall only include language found in the proposed measure.

Section 9. Election authorities shall remove deceased individuals from all voter rolls which such election authorities have control over, upon the proper notification and documentation from a state or federal agency, subject to appropriation and federal law.

Section 10. 1. Prior to the certification of the election results, each election authority shall, at a minimum, undertake a manual audit of randomly selected precincts which shall equal the greater of: 5% of all election precincts within the election authority's jurisdiction, one precinct, or any number required by law. No such audit shall be performed, conducted, or overseen by any non-governmental entity. All ballots cast at such election by qualified registered voters in such precincts shall be subject to the manual audit. The manual audit shall be open to the public, be completed within fourteen (14) days of the conclusion of the election, and results from the manual audit shall be publicly available within two (2) days after its completion. If, based on the manual audit, the election authority finds evidence of errors in the original tabulation that would change the result of any election or exceed a threshold established by law, the manual audit shall be converted to a full and binding manual recount of all ballots in that election. At least once every four years, each election authority shall file a written report, including documentation, with the secretary of state demonstrating that the election authority conducted at a minimum the manual audit required in this section. Such report shall be a public record.

Section 12. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, polled for one of its candidates for any statewide office more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party at any two consecutive general elections fails to poll for a candidate for any statewide office more than two percent of the entire vote cast for the office.

4. Any person desiring to be an independent candidate for any state or federal office to be filled by voters, shall file a petition with the secretary of state. Any person desiring to be an independent candidate for any county office shall file a petition with the election authority of the county. If an independent candidate is to be nominated for a statewide office, the petition shall be signed by at least ten thousand registered voters of the state. If the independent candidate is to be nominated for a district or county office, the petition shall be signed by the number of registered voters in the district or county which is equal to at least two percent of the total number of voters who voted at the last general election for candidates for the office being sought or is equal to ten thousand voters, whichever is less.

Section 13. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

Section 14. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-067)**

Subject

Initiative petition from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII. (Received January 30, 2023)

Date

February 17, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, the **Clay County Board of Election Commissioners**, and the **State Auditor's office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department does not foresee a fiscal impact with this petition.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated no impact to their department.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to ballot measures and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated their department does not anticipate any fiscal impact with Initiative Petitioner 24-067.

Officials from the **Department of Transportation** indicated no fiscal impact expected from their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to ballot measures and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated they defer to the response provided by the Clay County Board of Election Commissioners.

Officials from **Greene County** indicated there will be an increased cost to their county if voters vote to amend Article VIII, version 4. Section 10 is the only section of the sections in Article VIII where a cost increase is anticipated.

Section 10:

Currently a manual hand-counting audit is performed after each election for no less than 5% of all voting precincts in any election. In a general election, five separate contests on the ballot are randomly selected to be manually counted. The language in Section 10 appears to require all contests on the ballot to be hand counted.

In analyzing the estimated cost for this petition, the county looked at the costs to complete a manual count for the August 2022 and November 2022. There was no significant cost increase for the April election with this measure.

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Should a full manual recount be needed	\$20,000.00 (per election)

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Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.**

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JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 30, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 30 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII, version 3 (2024-066)

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Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

County _____
Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____		I, _____ being first duly sworn, say (print names of signers)				
	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Subscribed and sworn to before me this _____ day of _____, A.D. _____	
Printed Name of Affiant	City, State and Zip Code of Affiant	Signature of Notary	Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly, or through citizen initiative or referendum, shall be unbiased, fair, and sufficient and to the extent possible shall only include language found in the proposed measure.

Section 9. Election authorities shall remove deceased individuals from all voter rolls which such election authorities have control over, upon the proper notification and documentation from a state or federal agency, subject to appropriation and federal law.

Section 10. 1. The chair of the county committee, or the city committee of a city not within a county, of each established political party with a candidate on the ballot shall have the exclusive right to designate an observer for any polling place on any day in which votes are being cast who may be present until all ballots are cast, and an observer for each location at which absentee ballots or ballots cast on election day are counted, who may be present while the ballots are being prepared for counting and counted and may remain until all ballots are counted. No later than four business days before the election, the chair shall provide signed designation forms with the names of the designated observers to the local election authority for confirmation of eligibility to serve as an observer. The local election authority shall sign off on the designation forms, unless the observer is found not to have the qualifications established by subsection 3 of this section. If the election authority determines that an observer does not meet the qualifications of subsection 3 of this section, the election authority shall notify the designating party chair and such chair may designate a replacement observer and provide the local election authority with the name of the replacement observer before 5:00 p.m. of the Monday preceding the election. The designating chair may substitute observers, who meet the qualifications of subsection 3, at his or her discretion before 5:00 pm on the Monday preceding the election.

2. An independent candidate shall also have the right to designate an observer in the same manner as each political party, except should more than one independent candidate appear on the ballot the independent candidates shall agree on a single observer per polling place or location referenced in subsection 1 of this section.

3. All persons selected as observers shall only be required to have the same qualifications required by law for election judges.

4. In a nonpartisan election, each nonpartisan candidate on the ballot shall have the right to designate an observer in the same manner as each political party for each polling place or location at which such candidate appears on the ballot, except should more than three nonpartisan candidates appear on the ballot, the nonpartisan candidates shall agree on no more than two observers per polling place or location referenced in subsection 1 of this section. The General Assembly shall enact laws to provide for procedures to carry out this subsection.

5. For purposes of this section, "observer" shall mean a watcher, challenger, or observer of an election as provided by law.

Section 12. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, polled for one of its candidates for any statewide office more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party at any two consecutive general elections fails to poll for a candidate for any statewide office more than two percent of the entire vote cast for the office.

4. Any person desiring to be an independent candidate for any state or federal office to be filled by voters, shall file a petition with the secretary of state. Any person desiring to be an independent candidate for any county office shall file a petition with the election authority of the county. If an independent candidate is to be nominated for a statewide office, the petition shall be signed by at least ten thousand registered voters of the state. If the independent candidate is to be nominated for a district or county office, the petition shall be signed by the number of registered voters in the district or county which is equal to at least two percent of the total number of voters who voted at the last general election for candidates for the office being sought or is equal to ten thousand voters, whichever is less.

Section 13. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election.

Each registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section “nonpartisan candidate” shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

Section 14. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-066)**

Subject

Initiative petition from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII. (Received January 30, 2023)

Date

February 17, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, the **Clay County Board of Election Commissioners**, and the **State Auditor's office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department does not foresee a fiscal impact with this petition.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated no impact to their department.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to ballot measures and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated their department does not anticipate any fiscal impact from Initiative Petition 24-066.

Officials from the **Department of Transportation** indicated no fiscal impact expected from their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to ballot measures and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated they defer to the response provided by the Clay County Board of Election Commissioners.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Article VIII.

Officials from **St. Louis County** indicated there is no anticipated fiscal impact for their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they do not believe it has a cost or revenue impact to their college.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no impact.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition requires the checking of petitions which could cost an additional \$2,500 for elections conducted in even numbered years, (Primary \$1,250, General \$1,250).

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their Board.

Officials from the **Clay County Board of Election Commissioners** indicated they see no additional costs.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 30, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 30 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII, version 2 (2024-065)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Frederic Steinbach on January 27, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

County _____
Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

RECEIVED
2023 JAN 27 PM 2:56
John R. Ashcroft

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____		I, _____ being first duly sworn, say (print names of signers)				
	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Subscribed and sworn to before me this _____ day of _____, A.D. _____	(Seal)
Printed Name of Affiant	City, State and Zip Code of Affiant	Signature of Notary Address of Notary	

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting six new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13, and 14 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly, or through citizen initiative or referendum, shall be unbiased, fair, and sufficient and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. The chair of the county committee, or the city committee of a city not within a county, of each established political party with a candidate on the ballot shall have the exclusive right to designate an observer for any polling place on any day in which votes are being cast who may be present until all ballots are cast, and an observer for each location at which absentee ballots or ballots cast on election day are counted, who may be present while the ballots are being prepared for counting and counted and may remain until all ballots are counted. No later than four business days before the election, the chair shall provide signed designation forms with the names of the designated observers to the local election authority for confirmation of eligibility to serve as an observer. The local election authority shall sign off on the designation forms, unless the observer is found not to have the qualifications established by subsection 3 of this section. If the election authority determines that an observer does not meet the qualifications of subsection 3 of this section, the election authority shall notify the designating party chair and such chair may designate a replacement observer and provide the local election authority with the name of the replacement observer before 5:00 p.m. of the Monday preceding the election. The designating chair may substitute observers, who meet the qualifications of subsection 3, at his or her discretion before 5:00 pm on the Monday preceding the election.

2. An independent candidate shall also have the right to designate an observer in the same manner as each political party, except should more than one independent candidate appear on the ballot the independent candidates shall agree on a single observer per polling place or location referenced in subsection 1 of this section.

3. All persons selected as observers shall only be required to have the same qualifications required by law for election judges.

4. In a nonpartisan election, each nonpartisan candidate on the ballot shall have the right to designate an observer in the same manner as each political party for each polling place or location at which such candidate appears on the ballot, except should more than three nonpartisan candidates appear on the ballot, the nonpartisan candidates shall agree on no more than two observers per polling place or location referenced in subsection 1 of this section. The General Assembly shall enact laws to provide for procedures to carry out this subsection.

5. For purposes of this section, "observer" shall mean a watcher, challenger, or observer of an election as provided by law.

Section 10. 1. Prior to the certification of the election results, each election authority shall, at a minimum, undertake a manual audit of randomly selected precincts which shall equal the greater of: 5% of all election precincts within the election authority's jurisdiction, one precinct, or any number required by law. No such audit shall be performed, conducted, or overseen by any non-governmental entity. All ballots cast at such election by qualified registered voters in such precincts shall be subject to the manual audit. The manual audit shall be open to the public, be completed within fourteen (14) days of the conclusion of the election, and results from the manual audit shall be publicly available within two (2) days after its completion. If, based on the manual audit, the election authority finds evidence of errors in the original tabulation that would change the result of any election or exceed a threshold established by law, the manual audit shall be converted to a full and binding manual recount of all ballots in that election. At least once every four years, each election authority shall file a written report, including documentation, with the secretary of state demonstrating that the election authority conducted at a minimum the manual audit required in this section. Such report shall be a public record.

Section 12. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, polled for one of its candidates for any statewide office more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party at any two consecutive general elections fails to poll for a candidate for any statewide office more than two percent of the entire vote cast for the office.

4. Any person desiring to be an independent candidate for any state or federal office to be filled by voters, shall file a petition with the secretary of state. Any person desiring to be an independent candidate for any county office shall file

a petition with the election authority of the county. If an independent candidate is to be nominated for a statewide office, the petition shall be signed by at least ten thousand registered voters of the state. If the independent candidate is to be nominated for a district or county office, the petition shall be signed by the number of registered voters in the district or county which is equal to at least two percent of the total number of voters who voted at the last general election for candidates for the office being sought or is equal to ten thousand voters, whichever is less.

Section 13. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

Section 14. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-065)**

Subject

Initiative petition from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII. (Received January 30, 2023)

Date

February 17, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, the **Clay County Board of Election Commissioners**, and the **State Auditor's office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department does not foresee a fiscal impact with this petition.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated no impact to their department.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to ballot measures and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated their department does not anticipate any fiscal impact from Initiative Petition 24-065.

Officials from the **Department of Transportation** indicated no fiscal impact expected from their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to ballot measures and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated they defer to the response provided by the Clay County Board of Election Commissioners.

Officials from **Greene County** indicated there will be an increased cost to their county if voters vote to amend Article VIII. Section 10 is the only section of the sections in Article VIII where a cost increase is anticipated.

Section 10:

Currently a manual hand-counting audit is performed after each election for no less than 5% of all voting precincts in any election. In a general election, five separate contests on the ballot are randomly selected to be manually counted. The language in Section 10 appears to require all contests on the ballot to be hand counted.

In analyzing the estimated cost for this petition, the county looked at the costs to complete a manual count for the August 2022 and November 2022. There was no significant cost increase for the April election with this measure.

August 2022

In August 2022, it took 10 election judges (5 bi-partisan teams) a total of seven hours (per team) to complete the manual recount for 5 precincts for 5 contests. This cost was approximately **\$857.50**.

The average Greene County ballot in August 2022 had a total of 12 contests and ballot issues on the ballot.

7 hours divided by 5 contests equals 1.4 hours per contest. 1.4 hours per contest multiplied by 12 contests equals 16.8 hours. 16.8 x 10 election judges equals 168 hours in total. It is important to note the hourly rate has now increased to **\$14.75** (effective January 1, 2023) from **\$12.25** (2022 hourly rate). Total estimated cost with this formula: **\$2,478**.

August Primary Estimated Cost Increase: \$1,620.50

November 2022

In November 2022, it took 10 election judges (5 bi-partisan teams) approximately 126 hours total to complete the manual recount for 5 precincts for 5 contests. This cost was **\$1,543.50**.

The average Greene County ballot in November 2022 had a total of 25 contests and ballot issues on the ballot.

126 hours divided by 5 contests equals 25.2 hours per contest. 25.2 hours per contest multiplied by 25 contests equals 630 hours. It is important to note the hourly rate has now increased to \$14.75 (effective January 1, 2023) from \$12.25 (November 2022 hourly rate). Total estimated cost with this formula: **\$9,292.50**

November General Estimated Cost Increase: \$7,749.00

The following total estimated cost increase is the sum of 3 elections during a general election year when a minimum of 3 public elections would be held.

Total General Election Year Estimated Cost Increase: \$9,369.50

Officials from **St. Louis County** indicated there is no anticipated fiscal impact for their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they do not believe it has a cost or revenue impact to their college.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no impact.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition requires the checking of petitions which could cost an additional \$2,500 for elections conducted in even numbered years, (Primary \$1,250, General \$1,250).

The petition requires manual auditing of 5% of the election ballots cast. Since certification must be done within 14 days of election day and all questions and candidates would be audited (not a random sample), additional staff o/t and temporary expense totaling \$10,000 per election would be needed to audit all the races and questions in a large ballot. Smaller ballots with fewer candidates and questions would have a reduced cost. If for some reason, the audit results were above the acceptable tolerance, all ballots would need to be manually audited, the cost could be closer to \$50,000 to perform this task within the 14 day certification period.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated that if a full manual recount of the entire election were required a massive number of part-time workers would need to be hired to conduct the manual recount. A separate place would need to be rented to accommodate those part-time workers and transportation and security for ballots arranged.

Section 10

Part-time Workers – Large Election	\$12,000.00
Rental for 6-7 days	\$ 5,000.00
Security & Transportation of Ballots	\$ 3,000.00

April, August & November Elections of Even-Numbered Years	
Should a full manual recount be needed	\$20,000.00 (per election)

Officials from the **Clay County Board of Election Commissioners** indicated most of this they already do. The 5% audit with a manual recount is something they have always done. The only costs they see that might come in to play would be if there was a discrepancy and they had to do a full hand recount of all ballots. The costs for that would be anywhere from \$3,500 to \$15,000 depending on how many bi-partisan teams to do the count. Those costs would depend on how many days it took at 8 hours a day with 10 teams. These figures range from 1 day to 5 days and could be more depending on how big election is and how many ballots were cast.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.**

Fiscal Note Summary

State governmental entities estimate no costs or savings for this proposal. Local governmental entities estimate costs could increase by at least \$33,500 to \$85,000 each municipal general election, \$35,121 to \$86,621 each primary election, and \$41,249 to \$92,749 each general election.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 30, 2023

RECEIVED

JAN 30 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII, version 1 (2024-064)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Frederic Steinbach on January 27, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

County _____

Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

RECEIVED
2023 JAN 27 PM 2:55
John R. Ashcroft

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____		I, _____ being first duly sworn, say (print names of signers)				
	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Subscribed and sworn to before me this _____ day of _____, A.D. _____		(Seal)
Printed Name of Affiant	City, State and Zip Code of Affiant	Signature of Notary	Address of Notary	

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting five new Sections to be known as Article VIII, Sections 8, 9, 10, 12, and 13.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting five new Sections to be known as Article VIII, Sections 8, 9, 10, 12, and 13 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly, or through citizen initiative or referendum, shall be unbiased, fair, and sufficient and to the extent possible shall only include language found in the proposed measure.

Section 9. 1. The chair of the county committee, or the city committee of a city not within a county, of each established political party with a candidate on the ballot shall have the exclusive right to designate an observer for any polling place on any day in which votes are being cast who may be present until all ballots are cast, and an observer for each location at which absentee ballots or ballots cast on election day are counted, who may be present while the ballots are being prepared for counting and counted and may remain until all ballots are counted. No later than four business days before the election, the chair shall provide signed designation forms with the names of the designated observers to the local election authority for confirmation of eligibility to serve as an observer. The local election authority shall sign off on the designation forms, unless the observer is found not to have the qualifications established by subsection 3 of this section. If the election authority determines that an observer does not meet the qualifications of subsection 3 of this section, the election authority shall notify the designating party chair and such chair may designate a replacement observer and provide the local election authority with the name of the replacement observer before 5:00 p.m. of the Monday preceding the election. The designating chair may substitute observers, who meet the qualifications of subsection 3, at his or her discretion before 5:00 pm on the Monday preceding the election.

2. An independent candidate shall also have the right to designate an observer in the same manner as each political party, except should more than one independent candidate appear on the ballot the independent candidates shall agree on a single observer per polling place or location referenced in subsection 1 of this section.

3. All persons selected as observers shall only be required to have the same qualifications required by law for election judges.

4. In a nonpartisan election, each nonpartisan candidate on the ballot shall have the right to designate an observer in the same manner as each political party for each polling place or location at which such candidate appears on the ballot, except should more than three nonpartisan candidates appear on the ballot, the nonpartisan candidates shall agree on no more than two observers per polling place or location referenced in subsection 1 of this section. The General Assembly shall enact laws to provide for procedures to carry out this subsection.

5. For purposes of this section, "observer" shall mean a watcher, challenger, or observer of an election as provided by law.

Section 10. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, polled for one of its candidates for any statewide office more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party at any two consecutive general elections fails to poll for a candidate for any statewide office more than two percent of the entire vote cast for the office.

4. Any person desiring to be an independent candidate for any state or federal office to be filled by voters, shall file a petition with the secretary of state. Any person desiring to be an independent candidate for any county office shall file a petition with the election authority of the county. If an independent candidate is to be nominated for a statewide office, the petition shall be signed by at least ten thousand registered voters of the state. If the independent candidate is to be nominated for a district or county office, the petition shall be signed by the number of registered voters in the district or county which is equal to at least two percent of the total number of voters who voted at the last general election for candidates for the office being sought or is equal to ten thousand voters, whichever is less.

Section 12. In any party primary election, each registered voter shall be entitled to receive the ballot of one and only one political party. Each registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

Section 13. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-064)**

Subject

Initiative petition from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII. (Received January 30, 2023)

Date

February 17, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, the **Clay County Board of Election Commissioners**, and the **State Auditor's office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department does not foresee a fiscal impact with this petition.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated no impact to their department.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to ballot measures and elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated their department does not anticipate any fiscal impact associated with Initiative Petition 24-064.

Officials from the **Department of Transportation** indicated no fiscal impact expected from their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to ballot measures and elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated they defer to the response provided by the Clay County Board of Election Commissioners.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Article VIII.

Officials from **St. Louis County** indicated there is no anticipated fiscal impact for their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they do not believe it has a cost or revenue impact on their college.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact.

Officials from the **Board of Election Commissioners City of St. Louis** indicated they anticipate no fiscal impact.

Officials from the **Kansas City Board of Election Commissioners** indicated they estimate that this petition would cost them \$5,000 every primary and general election in temporary expense and staff overtime to check the required petition signatures.

The officials further commented that they estimated based on a worst case scenario. Labor costs for checking petitions adds up quickly. More than likely, they indicate they won't get

many and the estimate could be reduced substantially. Therefore, they changed the estimated cost to \$2,500, (\$1,250 for each election).

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their Board.

Officials from the **Clay County Board of Election Commissioners** indicated they see no additional costs.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 24, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 24 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Elad Gross regarding a proposed constitutional amendment to Article III (2024-063)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Elad Gross on January 23, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
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9.					
10.					

RECEIVED
2023 JAN 23 PM 2:34
MISSOURI SECRETARY OF STATE

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by amending Section 8.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article III of the Constitution is revised by amending Section 8 as follows:

Section 8.

1. The legislature shall propose no measure restricting Missourians' power of initiative, notwithstanding any provision of this Constitution to the contrary.
2. The legislature shall not change any voter-initiated law without a referendum at a general election or three-quarters' consent in the House and in the Senate, unless more than seven years have passed since voters approved the law, notwithstanding any provision of this Constitution to the contrary.
3. No one shall be elected to serve more than eight years as a member of the House, nor more than eight years as a member of the Senate[total in any one house of the General Assembly nor more than sixteen years total in both houses of the General Assembly].
4. The term limits of eight years' membership in the House and eight years' membership in the Senate are hereby replaced with an overall term limit of sixteen years' total membership in the legislature, notwithstanding subsection 3 of this section to the contrary, so long as Missourians' power of initiative is not restricted.
5. Missourians' power of initiative is defined to be restricted if Missouri voters no longer can directly enact, by majority of votes cast thereon, laws and amendments proposed by initiative petition and relating to any of the subjects on which the legislature can propose laws and amendments, excluding any subject prohibited by this Constitution as of January 1, 2023, with signatures from five percent of the legal voters in each of two-thirds of Missouri's congressional districts sufficient to propose a law, and with signatures from eight percent of the legal voters in each of two-thirds of Missouri's congressional districts sufficient to propose an amendment, the signatures required calculated based on the most recent total general-election vote for governor.
6. For the purposes of this section, a "voter-initiated law" is defined to be a law that the people have proposed and enacted by the initiative.
7. For the purposes of this section, the legislature is defined to "change" a voter-initiated law if it passes a bill which modifies, repeals, or overrides any part of said law, whether with or without the signature of the governor.
8. In applying this section, service in the General Assembly resulting from an election prior to December 3, 1992, or service of less than one year, in the case of a member of the house of representatives, or two years, in the case of a member of the senate, by a person elected after the effective date of this section to complete the term of another person, shall not be counted.
9. If any provision of subsections 1, 2, 3, 4, 5, 6, 7, or 8 of this section or the application thereof to anyone or to any circumstance is held invalid, the remainder of those provisions and the application of such provisions to others or other circumstances shall not be affected thereby.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-063)**

Subject

Initiative petition from Elad Gross regarding a proposed constitutional amendment to Article III. (Received January 24, 2023)

Date

February 10, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department has no fiscal impact.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition proposing to amend Article III.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this initiative petition.

Officials from the **Governor's office** indicated this proposal relating to initiatives and term limits does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no direct fiscal impact.

Officials from the **Department of Conservation** indicated their department anticipates no fiscal impact related to this initiative petition.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to initiatives and term limits does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, their office estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated they estimate no costs or savings from this initiative at this time.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Article III.

Officials from **St. Louis County** indicated no anticipated fiscal impact for their county.

Officials from the **City of Kansas City** indicated this proposed amendment has no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they do not believe this initiative petition has a cost impact on their college or a revenue increase or decrease as worded.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and University of Missouri.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings from this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 23, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 23 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII (2024-062)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Frederic Steinbach on January 20, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter. County _____

INITIATIVE PETITION

Page No. _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____

I, _____ being first duly sworn, say (print names of signers)

	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures) _____
Street Address of Affiant _____
Printed Name of Affiant _____
City, State and Zip Code of Affiant _____

Subscribed and sworn to before me this _____ day of _____, A.D. _____
Signature of Notary _____
Address of Notary _____

(Seal)

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting five new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting five new Sections to be known as Article VIII, Sections 8, 9, 10, 12, 13 to read as follows:

Section 8. Ballot titles for ballot measures, whether proposed by the General Assembly, or through citizen initiative or referendum, shall be unbiased, fair, and sufficient and to the extent possible shall only include language found in the proposed measure.

Section 9. Election authorities shall remove deceased individuals from all voter rolls which such election authorities have control over, upon the proper notification and documentation from a state or federal agency, subject to appropriation and federal law.

Section 10. 1. All established political parties in the state shall have a right to have their designated nominees appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, polled for one of its candidates for any statewide office more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party at any two consecutive general elections fails to poll for a candidate for any statewide office more than two percent of the entire vote cast for the office.

4. Any person desiring to be an independent candidate for any state or federal office to be filled by voters, shall file a petition with the secretary of state. Any person desiring to be an independent candidate for any county office shall file a petition with the election authority of the county. If an independent candidate is to be nominated for a statewide office, the petition shall be signed by at least ten thousand registered voters of the state. If the independent candidate is to be nominated for a district or county office, the petition shall be signed by the number of registered voters in the district or county which is equal to at least two percent of the total number of voters who voted at the last general election for candidates for the office being sought or is equal to ten thousand voters, whichever is less.

Section 12. In any party primary election, each eligible registered voter shall be entitled to receive the ballot of one and only one political party. Each eligible registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each eligible registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

Section 13. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-062)**

Subject

Initiative petition from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII. (Received January 23, 2023)

Date

February 10, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, the **Clay County Board of Election Commissioners**, and the **State Auditor's office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department has no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this petition.

Officials from the **Governor's office** indicated this proposal relating to elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated their department anticipates no fiscal impact related to this initiative petition.

Officials from the **Department of Transportation** indicated no fiscal impact expected for their department or the Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$10 million based on the cost of the 2022 primary and general election reimbursements.

The Secretary of State's office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY22 petitions cycle, the SOS estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

The Secretary of State's office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Boone County** indicated the Boone County Clerk's Office expects no additional costs or savings.

Officials from **Clay County** indicated they estimate the cost of this petition as follows:

- ~\$5,000 per primary election to print extra ballots for non-partisan matters only under Section 12 (if amending the Constitution causes more interest and demand for unaffiliated ballots).
- No effect from the independent candidate petition provision in Section 10.4 as under the County Constitution all candidates are nonpartisan.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St. Louis County** indicated no expected fiscal impact for their county.

Officials from the **City of Kansas City** indicated this initiative petition would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they do not believe it has a cost impact on their college or a revenue increase or decrease as worded.

Officials from the **St. Louis County Board of Elections** indicated this will have no fiscal impact on their Board.

Officials from the **Board of Election Commissioners City of St. Louis** indicated there is no fiscal impact.

Officials from the **Kansas City Board of Election Commissioners** indicated if this petition were to become law, \$10,000 in staff overtime or temporary expense would be needed to check the associated petition signatures.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their Board.

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings for this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 18, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 18 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 12 (2024-061)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 18, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

Notary Public (Seal)

My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending sections 290.502, 290.522, 290.525, 290.527, and 290.530 of the Revised Statutes of Missouri and enacting seventeen new sections to be known as sections 290.518, 290.519, 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [\$8.60] \$13.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [\$.85] \$.75 per hour, effective January 1 of each of the next [four] two years, until it reaches [\$12.00] \$15.00 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.518. 1. Every employer shall provide employees who are to work for seven and one-half hours from the beginning of their shift a meal period of at least 30 continuous minutes. An employee who works in excess of seven and one-half hours shall be entitled to an additional 30 minute meal period for every additional seven and one-half hours worked. An employer shall schedule a meal period no earlier than two hours and no later than five hours from the beginning of a shift, and for employees entitled to a second meal period no earlier than two hours and no later than five hours from the beginning of the second period of seven and one-half hours worked.

2. Meal periods may be unpaid and not counted as time worked provided the employee is completely relieved of all duty. Meal periods shall be time worked and paid at the employee's regular rate of compensation when an employee is required to perform any duties, whether active or inactive, while taking the meal period. An employer is permitted to make the meal period on duty only when the nature of work or other circumstances exist that make it

infeasible for an employee to take a duty-free meal period. In such case, the employee shall be allowed to eat while on duty and shall be paid for the full 30 minutes on-duty meal period and further shall only be required to perform the limited duties during the meal period that make a fully duty-free meal period infeasible. It is the employer's burden to establish that a duty-free meal period is "infeasible" by demonstrating that the failure to provide a duty-free meal period was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free meal period would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a meal period in accordance with this section, the employer shall pay the employee an additional one hour of pay at the employee's regular rate of compensation for each shift that the meal period is not provided. There is a rebuttable presumption that an employee who did not take a meal period was not permitted to do so and that the employer failed to provide that employee a meal period in accordance with this section.

4. If an employer requires an employee to eat on premises, it shall provide a suitable place for that purpose, with adequate seating and tables.

5. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

6. The provisions of this section shall become effective January 1, 2025.

290.519. 1. Every employer shall provide employees a rest break of at least 10 continuous minutes for each four hours worked or major fraction thereof, to be taken as near as practical to the midpoint of each work period of four hours worked or major fraction thereof. An employer need not provide a rest break to employees whose total daily work time is less than three and one-half hours.

2. An employer shall not require the employee to perform any work during a rest break. Employees shall receive rest breaks without deduction from wages and time on rest breaks shall be considered time worked. Rest breaks are in addition to any meal period to which an employee is entitled. An employer need not provide a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof only when the nature of work or other circumstances exist that make it infeasible. In such case, the employee shall be paid an extra 10 minutes of compensation at the employee's regular rate of compensation without being required to perform additional work for that time, for each rest break of 10 continuous minutes that an employee does not receive, and further the employee shall be permitted to use restroom facilities without unreasonable restriction. It is the employer's burden to establish that providing a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof is "infeasible" by demonstrating that the failure to provide such a rest break was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free rest break would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a rest break in accordance with the applicable provisions of this Section, the employer shall pay the employee an additional 30 minutes of pay at the employee's regular rate of compensation for each work period that a rest break is not provided. There is a rebuttable presumption that an employee who did not take a rest break was not permitted to do so and that the employer failed to provide that employee a rest break in accordance with this section.

4. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

5. The provisions of this section shall become effective January 1, 2025.

290.522. Every employer subject to any provision of sections 290.500 to 290.530 or of any regulations issued under sections 290.500 to 290.530 shall keep a summary of sections 290.500 to 290.530, approved by the director, and copies of any applicable wage, meal period, and rest break regulations issued under sections 290.500 to 290.530, or a summary of the wage, meal period, and rest break regulations posted in a conspicuous and accessible place in or about the premises wherein any person subject thereto is employed. Employers shall be furnished copies of the summaries and regulations by the state on request without charge, except that the state may, but is not required to, furnish to employers copies of summaries and regulations relating to the provisions on meal periods and rest breaks without charge but regardless an employer shall keep a summary of those provisions posted consistent with this section.

290.525. Any employer who hinders the director in the performance of his duties in the enforcement of sections 290.500 to 290.530 by any of the following acts is guilty of a class C misdemeanor:

- (1) Refusing to admit the director to any place of employment;
- (2) Failing to make, keep and preserve any records as required under the provisions of sections 290.500 to 290.530;
- (3) Falsifying any record required under the provisions of sections 290.500 to 290.530;
- (4) Refusing to make any record required under the provisions of sections 290.500 to 290.530 accessible to the director;
- (5) Refusing to furnish a sworn statement of any record required under the provisions of sections 290.500 to 290.530 or any other information required for the proper enforcement of sections 290.500 to 290.530 to the director upon demand;
- (6) Failing to post a summary of sections 290.500 to 290.530 or a copy of any applicable regulation as required;
- (7) Discharging or in any other manner discriminating against any employee who has notified the director that he has not been paid wages in accordance with the provisions of sections 290.500 to 290.530, or who has caused to be instituted any proceeding under or related to sections 290.500 to 290.530, or who has testified or is about to testify in any such proceeding;
- (8) Paying or agreeing to pay wages at a rate less than the rate applicable under sections 290.500 to 290.530. Payment at such rate for any week or portion of a week constitutes a separate offense as to each employee;
- (9) Failing to provide meal periods and rest breaks in accordance with sections 290.500 to 290.530;
- ~~[(9)]~~ (10) Otherwise violating any provisions of sections 290.500 to 290.530.

Each day of violation constitutes a separate offense.

290.527. Any employer who pays any employee less wages than the wages to which the employee is entitled under or by virtue of sections 290.500 to 290.530 shall be liable to the employee affected for the full amount of the wage rate and an additional amount equal to twice the unpaid wages as liquidated damages, less any amount actually paid to the employee by the employer and for costs and such reasonable attorney fees as may be allowed by the court or jury. Any employer who fails to provide meal periods and rest breaks to an employee in accordance with sections 290.500 to 290.530 shall be liable to the employee for any additional wages for time worked if applicable, and in addition for the additional or extra pay due employees for failing to provide meal periods or rest breaks under section 290.518 and 290.519, respectively, and for costs and such reasonable attorney fees as may be allowed by the

court or jury. The employee may bring any legal action necessary to collect the claim. Any agreement between the employee and the employer to work for less than the wage rate or to relinquish requirements associated with meal periods and rest breaks shall be no defense to the action. All actions for the collection of any deficiency in wages or failure to provide meal periods or rest breaks in accordance with sections 290.500 to 290.530 shall be commenced within three years of the accrual of the cause of action.

290.530. Nothing in sections 290.500 to 290.530 shall be deemed to interfere with, impede, or in any way diminish the right of employees to bargain collectively with their employers through representatives of their own choosing in order to establish wages, meal periods, rest breaks, or other conditions of work in excess of the applicable minimum under the provisions of sections 290.500 to 290.530.

290.600. As used in sections 290.600 through 290.642:

(1) "Department", Department of Labor and Industrial Relations.

(2) "Director", Director of the Department of Labor and Industrial Relations.

(3) "Domestic violence", as such term is defined in section 455.010.

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board,

commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) "Sexual assault", as such term is defined in section 455.010.

(13) "Stalking", as such term is defined in section 455.010.

(14) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600

through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. All or any portion of the earned paid sick time requirements of sections 290.600 through 290.642 shall not apply to employees covered by a bona fide collective bargaining agreement to the extent that such requirements are expressly waived in the collective bargaining agreement in clear and unambiguous terms.

4. With the exception noted in subsection 3, any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-061)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 18, 2023)

Date

February 7, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Nina DiSalvo, Esq., Policy Director, Towards Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated this initiative petition will not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their office.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this initiative petition.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact, as they believe they are excluded in the definition of employer and their employees are also excluded.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their department because it exempts public employers, which include state commissions and agencies and exempts the state from the definition of employer.

Officials from the **Department of Transportation** indicated there is no fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$13.50 per hour. This rate would increase by \$0.75 per hour each year of the next two years until reaching \$15.00 per hour by January 1, 2027.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 2,351.00
2026	\$ 5,783.00
2027	\$ 9,215.00

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered

fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated this petition does not apply to counties as employers.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county.

Officials from **St. Louis County** indicated this initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this proposed amendment will have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the initiative increases to the minimum wage and benefits is currently lower than their actual experience so the petition should have no near term impact on cost.

Officials from the **Missouri Lottery** indicated no impact.

Officials from the **State Tax Commission** indicated there is no fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their Commission. The proposed sections 290.502.4, 290.518.5, and 290.519.4 RSMo specifically exclude the state and its agencies. The definition of the term "employer" in the proposed section 290.600(8) RSMo specifically excludes the state and its agencies as well. Therefore, the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.502.4, the Kansas City, MO Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated this will have no impact on their Board of Elections.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition will have little to no material fiscal impact on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated no fiscal impact.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided the following information:



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January 23, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposals Related to Chapter 290, RSMo, Petition 2024-050 through 2024-061

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany the paid sick leave provisions of petitions 24-050 through 2024-061 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

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Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

⁹ *Fact Sheet: The Families First Coronavirus Response Act (FFCRA) & the Coronavirus Aid, Relief and Economic Security (CARES) Act*, A Better Balance (Jan. 8, 2021), <https://www.abetterbalance.org/resources/federal-coronavirus-proposal-the-families-first-coronavirus-response-act-h-r-6201/>.

¹⁰ Stefan Pichler et al., *COVID-19 Emergency Sick Leave Has Helped Flatten the Curve in the United States*, 39 Health Affairs 2197, 2202 (2020), available at <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>.

¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

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¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

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²³ Human Impact Partners & S.F. Dep't of Pub. Health, *A Health Impact Assessment of the Healthy Families Act of 2009* (June 11, 2009), http://go.nationalpartnership.org/site/DocServer/WF_PSD_HFA_HealthImpactAssessment_HIA_090611.pdf?docID=5101.

²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

²⁷ Steven Sumner et al., *Factors Associated with Food Workers Working While Experiencing Vomiting or Diarrhea*, 74 J. Food Protection 215 (2011), available at http://www.cdc.gov/nceh/ehs/ehsnet/Docs/JFP_ill_food_workers.pdf.

²⁸ Tom W. Smith & Jibum Kim, *Paid Sick Days: Attitudes and Experiences*, Nat'l Opinion Res. Ctr. at U. of Chi. (June 2010), <https://www.issuelab.org/resource/paid-sick-days-attitudes-and-experiences.html>.

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³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

³⁹ Appelbaum & Milkman, *supra* note 34, at 17.

⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was submitting a fiscal note regarding petitions 24-050 to 24-061. As the policy is identical to previously submitted versions, it is identical to previous material submitted regarding the minimum wage for petitions 24-016 to 24-019. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

Nina DiSalvo, Esq., Policy Director, Towards Justice provided the following information:

January 27, 2023

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RE: Missouri IP 24-050 through 24-061

VIA EMAIL: fiscalnote@auditor.mo.gov

To Whom it May Concern:

Towards Justice is a non-profit law firm that represents workers in litigation and other advocacy in our home state of Colorado and across the country. We write pursuant to RsMO 116.175 to assist your office in analyzing the fiscal impact of a ballot measure regarding compensated breaks for Missouri employees that has been proposed to be submitted to the voters of the state of Missouri at the November 5, 2024 election. To that end, we offer an examination of the items in subsection (2) of section 23.140 of the governmental accounting standards board.

This analysis describes only the estimated fiscal impact of proposed meal and rest break requirements in Missouri IP 24-050 through 24-061. We understand that others will provide a fiscal analysis of the proposed increase in the Missouri minimum wage.

(1) The cost of the proposed legislation to the state for the next two fiscal years:

The proposed employee breaktime law requires private employers to provide 10-minute paid rest breaks and 30-minute, duty-free, uncompensated meal breaks to employees. The legislation does not impose these requirements on public employers, "including the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state." Therefore, any fiscal impact to the state will depend on the impact these new requirements have on the private sector.

We predict that state-mandated meal and rest break requirements will increase employee health and happiness in Missouri's private sector. Employee happiness positively impacts productivity

and task performance,¹ and improves employee energy levels at work over time.² Happiness is also associated with lower turnover rates, which reduce employer costs. In a study of turnover rates among nurses, researchers found that “implementing regularly scheduled rest breaks can be considered as an effective intervention for improving retention of nurses even in a situation of understaffing.”³

Breaks also offer mental and physical health benefits.⁴ Workers with fewer breaks suffer from poorer mental and physical health, including an “increased risk of reporting mental fatigue, physical fatigue, poor psychological detachment, inadequate rest, and poor sleep.”⁵ Meanwhile, rest breaks prevent workplace injuries, thereby reducing the cost on the state’s workers compensation fund.⁶ Increased overall health combined with the reduction in workplace injuries, reduce employee need to use sick or vacation time to deal with health issues.⁷

The increased productivity, lower turnover, better health, and reduced workplace injury rates associated with employee breaks would not only counteract any productivity loss associated with reduced on-duty time but would likely lead to an overall increase in private sector productivity in Missouri. Such a productivity increase would positively benefit the state through increased tax revenues.

(2) Whether or not the proposed legislation will establish a program or agency that will duplicate an existing program or agency:

This law will not create a program or agency. Instead, the legislation creates new rights for private sector employees in the state. The law would allow employees to use the existing court system to enforce these new rights. The law does not require the Missouri Department of Labor to participate in implementation or enforcement and would have no impact on the agency’s budget.

¹ Clement Bellet, Jan-Emmanuel De Neve, and George Ward, *Does Employee Happiness have an Impact on Productivity?* Saïd Business School WP 2019-13, Oct. 2019, <https://ssrn.com/abstract=3470734> or <http://dx.doi.org/10.2139/ssrn.3470734>; Johannes Wendsche, Andrea Lohmann-Haislah, and Jürgen Wegge, *The Impact of Supplementary Short Rest Breaks on Task Performance – A Meta-Analysis*, 2016, Sozial Politik, https://www.sozialpolitik.ch/fileadmin/user_upload/2_2016_Wendsche_final.pdf; Robert A. Henning, Pierre Jacques, Goerge V. Kissel, Anne B. Sullivan, and Sabina M. Alteras-Webb, *Frequent Short Rest Breaks from Computer Work: Effects on Productivity and Well-Being at Two Field sites*, *Ergonomics*, 1997, 40:1, 78-91, DOI: 10.1080/001401397188396, <https://pubmed.ncbi.nlm.nih.gov/8995049/>.

² Marjaana Sianoja, Ulla Kinnunen, Jessica de Bloom, Kalevi Korpela and Sabine Geurts, *Recovery During Lunch Breaks: Testing Long-Term Relations with Energy Levels at Work*, *Scandinavian Journal of Work and Organizational Psychology*, 2016, 1(1): 7, 1–12, DOI: <http://dx.doi.org/10.16993/sjowop.13>.

³ Johannes Wendsche, Winfried Hacker, and Jürgen Wegge, *Understaffing and Registered Nurses’ Turnover: The Moderating Role of Regular Rest Breaks*, 2017, *German Journal of Human Resource Management*, 31(3), 238–259, <https://doi.org/10.1177/2397002216683880>.

⁴ Alan Kohll, *New Study Shows Correlation Between Employee Engagement And The Long-Lost Lunch Break*, *Forbes*, May 29, 2018, <https://www.forbes.com/sites/alankohll/2018/05/29/new-study-shows-correlation-between-employee-engagement-and-the-long-lost-lunch-break/?sh=6c0223064efc>.

⁵ Mark Copley, Linda Weidenstedt, Birgit Leick, and Stefan Sütterlin, *Working from Home during Lockdown: The Association between Rest Breaks and Well-Being*, *Ergonomics*, 2022, DOI: 10.1080/00140139.2022.2095038, <https://doi.org/10.1080/00140139.2022.2095038>.

⁶ Dorothee Fischer, David A. Lombardi, Simon Folkard, Joanna Willetts, and David C. Christiani, *Updating the “Risk Index”: A Systematic Review and Meta-Analysis of Occupational Injuries and Work Schedule Characteristics*, *Chronobiology International*, 2017, 34:10, 1423-1438, DOI: 10.1080/07420528.2017.1367305, <https://pubmed.ncbi.nlm.nih.gov/29064297/>; see also Philip Tucker, *The Impact of Rest Breaks Upon Accident Risk, Fatigue and Performance: A Review*, *Work & Stress*, 2003, 17:2, 123-137, DOI: 10.1080/0267837031000155949, <https://www.tandfonline.com/doi/abs/10.1080/0267837031000155949>.

⁷ Centers for Disease Control and Prevention, *Workplace Health Promotion, Increase Productivity*, <https://www.cdc.gov/workplacehealthpromotion/model/control-costs/benefits/productivity.html#print>; see also Walter F. Stewart, Judith A. Ricchi, Isbeth Chee, and David Morganstein, *Lost Productive Work Time Costs From Health Conditions in the United States: Results from the American Productivity Audit*, *J Occup Environ Med*, Dec. 2003, <https://pubmed.ncbi.nlm.nih.gov/14665809/>.

(3) Whether or not there is a federal mandate for the program or agency:

There is no federal mandate requiring meal or rest break protections for Missouri workers. Instead, the federal government allows employers to design their own break-time policies, while requiring that breaks shorter than 20 minutes be paid and allowing duty-free breaks longer than 30 minutes to be unpaid.⁸ Given this relatively weak federal protection, at least 20 states have adopted their own meal break protections for employees.⁹ Absent a federal mandate, Missouri voters could choose to do the same.

(4) Whether or not the proposed program or agency will have significant direct fiscal impact upon any political subdivision of the state:

The proposed employee meal and rest break protections do not apply to public employers and therefore will not have a significant direct fiscal impact on any political subdivision of the state. It is possible that the reduced risk of on-the-job injuries correlated with regular rest breaks will reduce demand on Missouri's worker compensation program. It is also possible that meal and rest break requirements will increase overall private sector productivity in Missouri, and thereby increase state tax revenue.

(5) Whether or not any new physical facilities will be required:

No new physical facilities will be required.

(6) Whether or not the proposed legislation will have an economic impact on small businesses:

The proposed meal and rest break protections would require Missouri businesses with fewer than 50 employees to provide employee meal and rest breaks. We anticipate that the productivity benefits associated with those breaks will offset the reduction in on-duty time. Overall, we anticipate that the meal and rest break requirements proposed would positively impact both employees and small businesses in Missouri.

We hope this summary proves useful as you assess the fiscal impact of the proposed meal and rest break measure. If we can be of further assistance, please do not hesitate to contact our office.

Sincerely,
Towards Justice

⁸ U.S. Department of Labor, *Breaks and Meal Periods*, <https://www.dol.gov/general/topic/workhours/breaks>; see also 29 CFR 785.18 (Rest Periods); 29 CFR 785.19 (Meal Periods).

⁹ U.S. Department of Labor, Wage and Hour Division, *Minimum Length of Meal Period Required under State Law for Adult Employees in Private Sector*, Jan. 1, 2023, <https://www.dol.gov/agencies/whd/state/meal-breaks#>.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 18, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 18 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 11 (2024-060)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 18, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____, I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending sections 290.502, 290.522, 290.525, 290.527, and 290.530 of the Revised Statutes of Missouri and enacting seventeen new sections to be known as sections 290.518, 290.519, 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [~~\$8.60~~] \$13.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [~~\$.85~~] \$.75 per hour, effective January 1 of each of the next [four] two years, until it reaches [~~\$12.00~~] \$15.00 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.518. 1. Every employer shall provide employees who are to work for seven and one-half hours from the beginning of their shift a meal period of at least 30 continuous minutes. An employee who works in excess of seven and one-half hours shall be entitled to an additional 30 minute meal period for every additional seven and one-half hours worked. An employer shall schedule a meal period no earlier than two hours and no later than five hours from the beginning of a shift, and for employees entitled to a second meal period no earlier than two hours and no later than five hours from the beginning of the second period of seven and one-half hours worked.

2. Meal periods may be unpaid and not counted as time worked provided the employee is completely relieved of all duty. Meal periods shall be time worked and paid at the employee's regular rate of compensation when an employee is required to perform any duties, whether active or inactive, while taking the meal period. An employer is permitted to make the meal period on duty only when the nature of work or other circumstances exist that make it infeasible for an employee to take a duty-free meal period. In such case, the employee shall be

allowed to eat while on duty and shall be paid for the full 30 minutes on-duty meal period and further shall only be required to perform the limited duties during the meal period that make a fully duty-free meal period infeasible. It is the employer's burden to establish that a duty-free meal period is "infeasible" by demonstrating that the failure to provide a duty-free meal period was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free meal period would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a meal period in accordance with this section, the employer shall pay the employee an additional one hour of pay at the employee's regular rate of compensation for each shift that the meal period is not provided. There is a rebuttable presumption that an employee who did not take a meal period was not permitted to do so and that the employer failed to provide that employee a meal period in accordance with this section.

4. If an employer requires an employee to eat on premises, it shall provide a suitable place for that purpose, with adequate seating and tables.

5. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

6. The provisions of this section shall become effective January 1, 2025.

290.519. 1. Every employer shall provide employees a rest break of at least 10 continuous minutes for each four hours worked or major fraction thereof, to be taken as near as practical to the midpoint of each work period of four hours worked or major fraction thereof. An employer need not provide a rest break to employees whose total daily work time is less than three and one-half hours.

2. An employer shall not require the employee to perform any work during a rest break. Employees shall receive rest breaks without deduction from wages and time on rest breaks shall be considered time worked. Rest breaks are in addition to any meal period to which an employee is entitled. An employer need not provide a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof only when the nature of work or other circumstances exist that make it infeasible. In such case, the employee shall be paid an extra 10 minutes of compensation at the employee's regular rate of compensation without being required to perform additional work for that time, for each rest break of 10 continuous minutes that an employee does not receive, and further the employee shall be permitted to use restroom facilities without unreasonable restriction. It is the employer's burden to establish that providing a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof is "infeasible" by demonstrating that the failure to provide such a rest break was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free rest break would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a rest break in accordance with the applicable provisions of this Section, the employer shall pay the employee an additional 30 minutes of pay at the employee's regular rate of compensation for each work period that a rest break is not provided. There is a rebuttable presumption that an employee who did not take a rest break was not permitted to do so and that the employer failed to provide that employee a rest break in accordance with this section.

4. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

5. The provisions of this section shall become effective January 1, 2025.

290.522. Every employer subject to any provision of sections 290.500 to 290.530 or of any regulations issued under sections 290.500 to 290.530 shall keep a summary of sections 290.500 to 290.530, approved by the director, and copies of any applicable wage, meal period, and rest break regulations issued under sections 290.500 to 290.530, or a summary of the wage, meal period, and rest break regulations posted in a conspicuous and accessible place in or about the premises wherein any person subject thereto is employed. Employers shall be furnished copies of the summaries and regulations by the state on request without charge, except that the state may, but is not required to, furnish to employers copies of summaries and regulations relating to the provisions on meal periods and rest breaks without charge but regardless an employer shall keep a summary of those provisions posted consistent with this section.

290.525. Any employer who hinders the director in the performance of his duties in the enforcement of sections 290.500 to 290.530 by any of the following acts is guilty of a class C misdemeanor:

- (1) Refusing to admit the director to any place of employment;
- (2) Failing to make, keep and preserve any records as required under the provisions of sections 290.500 to 290.530;
- (3) Falsifying any record required under the provisions of sections 290.500 to 290.530;
- (4) Refusing to make any record required under the provisions of sections 290.500 to 290.530 accessible to the director;
- (5) Refusing to furnish a sworn statement of any record required under the provisions of sections 290.500 to 290.530 or any other information required for the proper enforcement of sections 290.500 to 290.530 to the director upon demand;
- (6) Failing to post a summary of sections 290.500 to 290.530 or a copy of any applicable regulation as required;
- (7) Discharging or in any other manner discriminating against any employee who has notified the director that he has not been paid wages in accordance with the provisions of sections 290.500 to 290.530, or who has caused to be instituted any proceeding under or related to sections 290.500 to 290.530, or who has testified or is about to testify in any such proceeding;
- (8) Paying or agreeing to pay wages at a rate less than the rate applicable under sections 290.500 to 290.530. Payment at such rate for any week or portion of a week constitutes a separate offense as to each employee;
- (9) Failing to provide meal periods and rest breaks in accordance with sections 290.500 to 290.530;
- ~~[(9)]~~ (10) Otherwise violating any provisions of sections 290.500 to 290.530.

Each day of violation constitutes a separate offense.

290.527. Any employer who pays any employee less wages than the wages to which the employee is entitled under or by virtue of sections 290.500 to 290.530 shall be liable to the employee affected for the full amount of the wage rate and an additional amount equal to twice the unpaid wages as liquidated damages, less any amount actually paid to the employee by the employer and for costs and such reasonable attorney fees as may be allowed by the court or jury. Any employer who fails to provide meal periods and rest breaks to an employee in accordance with sections 290.500 to 290.530 shall be liable to the employee for any additional wages for time worked if applicable, and in addition for the additional or extra pay due employees for failing to provide meal periods or rest breaks under section 290.518 and 290.519, respectively, and for costs and such reasonable attorney fees as may be allowed by the court or jury. The employee may bring any legal action necessary to collect the claim. Any

agreement between the employee and the employer to work for less than the wage rate or to relinquish requirements associated with meal periods and rest breaks shall be no defense to the action. All actions for the collection of any deficiency in wages or failure to provide meal periods or rest breaks in accordance with sections 290.500 to 290.530 shall be commenced within three years of the accrual of the cause of action.

290.530. Nothing in sections 290.500 to 290.530 shall be deemed to interfere with, impede, or in any way diminish the right of employees to bargain collectively with their employers through representatives of their own choosing in order to establish wages, meal periods, rest breaks, or other conditions of work in excess of the applicable minimum under the provisions of sections 290.500 to 290.530.

290.600. As used in sections 290.600 through 290.642:

(1) "Department", Department of Labor and Industrial Relations.

(2) "Director", Director of the Department of Labor and Industrial Relations.

(3) "Domestic violence", as such term is defined in section 455.010.

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly

rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) "Sexual assault", as such term is defined in section 455.010.

(13) "Stalking", as such term is defined in section 455.010.

(14) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking; (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600

through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. Any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-060)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 18, 2023)

Date

February 7, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Nina DiSalvo, Esq., Policy Director, Towards Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated this initiative petition will not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this initiative petition.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact, as they believe they are excluded in the definition of employer and their employees are also excluded.

Officials from the **Department of Conservation** indicated Initiative Petitioner 24.060 will have no fiscal impact on their department because it exempts public employers, which include state commissions and agencies, as well as exempts the state from the definition of employer.

Officials from the **Department of Transportation** indicated there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$13.50 per hour. This rate would increase by \$0.75 per hour each year of the next two years until reaching \$15.00 per hour by January 1, 2027.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 2,351.00
2026	\$ 5,783.00
2027	\$ 9,215.00

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each

year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated this petition does not apply to counties as employers.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county.

Officials from **St. Louis County** indicated this initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this proposed amendment will have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the initiative increases to the minimum wage and benefits is currently lower than their actual experience so the petition should have no near term impact on cost.

Officials from the **Missouri Lottery** indicated no impact.

Officials from the **State Tax Commission** indicated there is no fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their Commission. The proposed sections 290.502.4, 290.518.5, and 290.519.4 RSMo specifically exclude the state and its agencies. The definition of the term "employer" in the proposed section 290.600(8) RSMo specifically excludes the state and its agencies as well. Therefore, the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.502.4, the Kansas City, MO Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated this will have no impact on their Board of Elections.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition will have little to no material fiscal impact on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated no fiscal impact.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided the following information:



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January 23, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposals Related to Chapter 290, RSMo, Petition 2024-050 through 2024-061

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany the paid sick leave provisions of petitions 24-050 through 2024-061 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

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Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

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- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

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¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

²¹ Supriya Kumar et al., *Policies to Reduce Influenza in the Workplace: Impact Assessments Using an Agent-Based Model*, 103 Am. J. Pub. Health 1406, 1408 (Aug. 2013), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3893051/pdf/AJPH.2013.301269.pdf>.

²² Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, Nat'l Bureau of Econ. Res. (Aug. 2016), <https://www.nber.org/papers/w22530.pdf>.

²³ Human Impact Partners & S.F. Dep't of Pub. Health, *A Health Impact Assessment of the Healthy Families Act of 2009* (June 11, 2009), http://go.nationalpartnership.org/site/DocServer/WF_PSD_HFA_HealthImpactAssessment_HIA_090611.pdf?docID=5101.

²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

²⁷ Steven Sumner et al., *Factors Associated with Food Workers Working While Experiencing Vomiting or Diarrhea*, 74 J. Food Protection 215 (2011), available at http://www.cdc.gov/nceh/ehs/ehsnet/Docs/JFP_ill_food_workers.pdf.

²⁸ Tom W. Smith & Jibum Kim, *Paid Sick Days: Attitudes and Experiences*, Nat'l Opinion Res. Ctr. at U. of Chi. (June 2010), <https://www.issuelab.org/resource/paid-sick-days-attitudes-and-experiences.html>.

²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

³⁹ Appelbaum & Milkman, *supra* note 34, at 17.

⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was submitting a fiscal note regarding petitions 24-050 to 24-061. As the policy is identical to previously submitted versions, it is identical to previous material submitted regarding the minimum wage for petitions 24-016 to 24-019. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

Nina DiSalvo, Esq., Policy Director, Towards Justice provided the following information:

January 27, 2023

State Auditor's Office
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102

RE: Missouri IP 24-050 through 24-061

VIA EMAIL: fiscalnote@auditor.mo.gov

To Whom it May Concern:

Towards Justice is a non-profit law firm that represents workers in litigation and other advocacy in our home state of Colorado and across the country. We write pursuant to RsMO 116.175 to assist your office in analyzing the fiscal impact of a ballot measure regarding compensated breaks for Missouri employees that has been proposed to be submitted to the voters of the state of Missouri at the November 5, 2024 election. To that end, we offer an examination of the items in subsection (2) of section 23.140 of the governmental accounting standards board.

This analysis describes only the estimated fiscal impact of proposed meal and rest break requirements in Missouri IP 24-050 through 24-061. We understand that others will provide a fiscal analysis of the proposed increase in the Missouri minimum wage.

(1) The cost of the proposed legislation to the state for the next two fiscal years:

The proposed employee breaktime law requires private employers to provide 10-minute paid rest breaks and 30-minute, duty-free, uncompensated meal breaks to employees. The legislation does not impose these requirements on public employers, "including the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state." Therefore, any fiscal impact to the state will depend on the impact these new requirements have on the private sector.

We predict that state-mandated meal and rest break requirements will increase employee health and happiness in Missouri's private sector. Employee happiness positively impacts productivity

and task performance,¹ and improves employee energy levels at work over time.² Happiness is also associated with lower turnover rates, which reduce employer costs. In a study of turnover rates among nurses, researchers found that “implementing regularly scheduled rest breaks can be considered as an effective intervention for improving retention of nurses even in a situation of understaffing.”³

Breaks also offer mental and physical health benefits.⁴ Workers with fewer breaks suffer from poorer mental and physical health, including an “increased risk of reporting mental fatigue, physical fatigue, poor psychological detachment, inadequate rest, and poor sleep.”⁵ Meanwhile, rest breaks prevent workplace injuries, thereby reducing the cost on the state’s workers compensation fund.⁶ Increased overall health combined with the reduction in workplace injuries, reduce employee need to use sick or vacation time to deal with health issues.⁷

The increased productivity, lower turnover, better health, and reduced workplace injury rates associated with employee breaks would not only counteract any productivity loss associated with reduced on-duty time but would likely lead to an overall increase in private sector productivity in Missouri. Such a productivity increase would positively benefit the state through increased tax revenues.

(2) Whether or not the proposed legislation will establish a program or agency that will duplicate an existing program or agency:

This law will not create a program or agency. Instead, the legislation creates new rights for private sector employees in the state. The law would allow employees to use the existing court system to enforce these new rights. The law does not require the Missouri Department of Labor to participate in implementation or enforcement and would have no impact on the agency’s budget.

¹ Clement Bellet, Jan-Emmanuel De Neve, and George Ward, *Does Employee Happiness have an Impact on Productivity?* Saïd Business School WP 2019-13, Oct. 2019, <https://ssrn.com/abstract=3470734> or <http://dx.doi.org/10.2139/ssrn.3470734>; Johannes Wendsche, Andrea Lohmann-Haislah, and Jürgen Wegge, *The Impact of Supplementary Short Rest Breaks on Task Performance – A Meta-Analysis*, 2016, Sozial Politik, https://www.sozialpolitik.ch/fileadmin/user_upload/2_2016_Wendsche_final.pdf; Robert A. Henning, Pierre Jacques, Goerge V. Kissel, Anne B. Sullivan, and Sabina M. Alteras-Webb, *Frequent Short Rest Breaks from Computer Work: Effects on Productivity and Well-Being at Two Field sites*, *Ergonomics*, 1997, 40:1, 78-91, DOI: 10.1080/001401397188396, <https://pubmed.ncbi.nlm.nih.gov/8995049/>.

² Marjaana Sianoja, Ulla Kinnunen, Jessica de Bloom, Kalevi Korpela and Sabine Geurts, *Recovery During Lunch Breaks: Testing Long-Term Relations with Energy Levels at Work*, *Scandinavian Journal of Work and Organizational Psychology*, 2016, 1(1): 7, 1–12, DOI: <http://dx.doi.org/10.16993/sjwop.13>.

³ Johannes Wendsche, Winfried Hacker, and Jürgen Wegge, *Understaffing and Registered Nurses’ Turnover: The Moderating Role of Regular Rest Breaks*, 2017, *German Journal of Human Resource Management*, 31(3), 238–259, <https://doi.org/10.1177/2397002216683880>.

⁴ Alan Kohll, *New Study Shows Correlation Between Employee Engagement And The Long-Lost Lunch Break*, *Forbes*, May 29, 2018, <https://www.forbes.com/sites/alankohll/2018/05/29/new-study-shows-correlation-between-employee-engagement-and-the-long-lost-lunch-break/?sh=6c0223064efc>.

⁵ Mark Copley, Linda Weidenstedt, Birgit Leick, and Stefan Sütterlin, *Working from Home during Lockdown: The Association between Rest Breaks and Well-Being*, *Ergonomics*, 2022, DOI: 10.1080/00140139.2022.2095038, <https://doi.org/10.1080/00140139.2022.2095038>.

⁶ Dorothee Fischer, David A. Lombardi, Simon Folkard, Joanna Willetts, and David C. Christiani, *Updating the “Risk Index”: A Systematic Review and Meta-Analysis of Occupational Injuries and Work Schedule Characteristics*, *Chronobiology International*, 2017, 34:10, 1423-1438, DOI: 10.1080/07420528.2017.1367305, <https://pubmed.ncbi.nlm.nih.gov/29064297/>; see also Philip Tucker, *The Impact of Rest Breaks Upon Accident Risk, Fatigue and Performance: A Review*, *Work & Stress*, 2003, 17:2, 123-137, DOI: 10.1080/0267837031000155949, <https://www.tandfonline.com/doi/abs/10.1080/0267837031000155949>.

⁷ Centers for Disease Control and Prevention, *Workplace Health Promotion, Increase Productivity*, <https://www.cdc.gov/workplacehealthpromotion/model/control-costs/benefits/productivity.html#print>; see also Walter F. Stewart, Judith A. Ricchi, Isbeth Chee, and David Morganstein, *Lost Productive Work Time Costs From Health Conditions in the United States: Results from the American Productivity Audit*, *J Occup Environ Med*, Dec. 2003, <https://pubmed.ncbi.nlm.nih.gov/14665809/>.

(3) Whether or not there is a federal mandate for the program or agency:

There is no federal mandate requiring meal or rest break protections for Missouri workers. Instead, the federal government allows employers to design their own break-time policies, while requiring that breaks shorter than 20 minutes be paid and allowing duty-free breaks longer than 30 minutes to be unpaid.⁸ Given this relatively weak federal protection, at least 20 states have adopted their own meal break protections for employees.⁹ Absent a federal mandate, Missouri voters could choose to do the same.

(4) Whether or not the proposed program or agency will have significant direct fiscal impact upon any political subdivision of the state:

The proposed employee meal and rest break protections do not apply to public employers and therefore will not have a significant direct fiscal impact on any political subdivision of the state. It is possible that the reduced risk of on-the-job injuries correlated with regular rest breaks will reduce demand on Missouri's worker compensation program. It is also possible that meal and rest break requirements will increase overall private sector productivity in Missouri, and thereby increase state tax revenue.

(5) Whether or not any new physical facilities will be required:

No new physical facilities will be required.

(6) Whether or not the proposed legislation will have an economic impact on small businesses:

The proposed meal and rest break protections would require Missouri businesses with fewer than 50 employees to provide employee meal and rest breaks. We anticipate that the productivity benefits associated with those breaks will offset the reduction in on-duty time. Overall, we anticipate that the meal and rest break requirements proposed would positively impact both employees and small businesses in Missouri.

We hope this summary proves useful as you assess the fiscal impact of the proposed meal and rest break measure. If we can be of further assistance, please do not hesitate to contact our office.

Sincerely,
Towards Justice

⁸ U.S. Department of Labor, *Breaks and Meal Periods*, <https://www.dol.gov/general/topic/workhours/breaks>; see also 29 CFR 785.18 (Rest Periods); 29 CFR 785.19 (Meal Periods).

⁹ U.S. Department of Labor, Wage and Hour Division, *Minimum Length of Meal Period Required under State Law for Adult Employees in Private Sector*, Jan. 1, 2023, <https://www.dol.gov/agencies/whd/state/meal-breaks#>.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT

SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 18, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 18 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 10 (2024-059)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 18, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

Notary Public (Seal)

My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending sections 290.502, 290.522, 290.525, 290.527, and 290.530 of the Revised Statutes of Missouri and enacting seventeen new sections to be known as sections 290.518, 290.519, 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [\$8.60] \$13.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [\$.85] \$.75 per hour, effective January 1 of each of the next [four] two years, until it reaches [\$12.00] \$15.00 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.518. 1. Every employer shall provide employees who are to work for seven and one-half hours from the beginning of their shift a meal period of at least 30 continuous minutes. An employee who works in excess of seven and one-half hours shall be entitled to an additional 30 minute meal period for every additional seven and one-half hours worked. An employer shall schedule a meal period no earlier than two hours and no later than five hours from the beginning of a shift, and for employees entitled to a second meal period no earlier than two hours and no later than five hours from the beginning of the second period of seven and one-half hours worked.

2. Meal periods may be unpaid and not counted as time worked provided the employee is completely relieved of all duty. Meal periods shall be time worked and paid at the employee's regular rate of compensation when an employee is required to perform any duties, whether active or inactive, while taking the meal period. An employer is permitted to make the meal period on duty only when the nature of work or other circumstances exist that make it

infeasible for an employee to take a duty-free meal period. In such case, the employee shall be allowed to eat while on duty and shall be paid for the full 30 minutes on-duty meal period and further shall only be required to perform the limited duties during the meal period that make a fully duty-free meal period infeasible. It is the employer's burden to establish that a duty-free meal period is "infeasible" by demonstrating that the failure to provide a duty-free meal period was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free meal period would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a meal period in accordance with this section, the employer shall pay the employee an additional one hour of pay at the employee's regular rate of compensation for each shift that the meal period is not provided. There is a rebuttable presumption that an employee who did not take a meal period was not permitted to do so and that the employer failed to provide that employee a meal period in accordance with this section.

4. If an employer requires an employee to eat on premises, it shall provide a suitable place for that purpose, with adequate seating and tables.

5. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

6. The provisions of this section shall become effective January 1, 2025.

290.519. 1. Every employer shall provide employees a rest break of at least 10 continuous minutes for each four hours worked or major fraction thereof, to be taken as near as practical to the midpoint of each work period of four hours worked or major fraction thereof. An employer need not provide a rest break to employees whose total daily work time is less than three and one-half hours.

2. An employer shall not require the employee to perform any work during a rest break. Employees shall receive rest breaks without deduction from wages and time on rest breaks shall be considered time worked. Rest breaks are in addition to any meal period to which an employee is entitled. An employer need not provide a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof only when the nature of work or other circumstances exist that make it infeasible. In such case, the employee shall be paid an extra 10 minutes of compensation at the employee's regular rate of compensation without being required to perform additional work for that time, for each rest break of 10 continuous minutes that an employee does not receive, and further the employee shall be permitted to use restroom facilities without unreasonable restriction. It is the employer's burden to establish that providing a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof is "infeasible" by demonstrating that the failure to provide such a rest break was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free rest break would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a rest break in accordance with the applicable provisions of this Section, the employer shall pay the employee an additional 30 minutes of pay at the employee's regular rate of compensation for each work period that a rest break is not provided. There is a rebuttable presumption that an employee who did not take a rest break was not permitted to do so and that the employer failed to provide that employee a rest break in accordance with this section.

4. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

5. The provisions of this section shall become effective January 1, 2025.

290.522. Every employer subject to any provision of sections 290.500 to 290.530 or of any regulations issued under sections 290.500 to 290.530 shall keep a summary of sections 290.500 to 290.530, approved by the director, and copies of any applicable wage, meal period, and rest break regulations issued under sections 290.500 to 290.530, or a summary of the wage, meal period, and rest break regulations posted in a conspicuous and accessible place in or about the premises wherein any person subject thereto is employed. Employers shall be furnished copies of the summaries and regulations by the state on request without charge, except that the state may, but is not required to, furnish to employers copies of summaries and regulations relating to the provisions on meal periods and rest breaks without charge but regardless an employer shall keep a summary of those provisions posted consistent with this section.

290.525. Any employer who hinders the director in the performance of his duties in the enforcement of sections 290.500 to 290.530 by any of the following acts is guilty of a class C misdemeanor:

- (1) Refusing to admit the director to any place of employment;
- (2) Failing to make, keep and preserve any records as required under the provisions of sections 290.500 to 290.530;
- (3) Falsifying any record required under the provisions of sections 290.500 to 290.530;
- (4) Refusing to make any record required under the provisions of sections 290.500 to 290.530 accessible to the director;
- (5) Refusing to furnish a sworn statement of any record required under the provisions of sections 290.500 to 290.530 or any other information required for the proper enforcement of sections 290.500 to 290.530 to the director upon demand;
- (6) Failing to post a summary of sections 290.500 to 290.530 or a copy of any applicable regulation as required;
- (7) Discharging or in any other manner discriminating against any employee who has notified the director that he has not been paid wages in accordance with the provisions of sections 290.500 to 290.530, or who has caused to be instituted any proceeding under or related to sections 290.500 to 290.530, or who has testified or is about to testify in any such proceeding;
- (8) Paying or agreeing to pay wages at a rate less than the rate applicable under sections 290.500 to 290.530. Payment at such rate for any week or portion of a week constitutes a separate offense as to each employee;
- (9) Failing to provide meal periods and rest breaks in accordance with sections 290.500 to 290.530;
- ~~[(9)]~~ (10) Otherwise violating any provisions of sections 290.500 to 290.530.

Each day of violation constitutes a separate offense.

290.527. Any employer who pays any employee less wages than the wages to which the employee is entitled under or by virtue of sections 290.500 to 290.530 shall be liable to the employee affected for the full amount of the wage rate and an additional amount equal to twice the unpaid wages as liquidated damages, less any amount actually paid to the employee by the employer and for costs and such reasonable attorney fees as may be allowed by the court or jury. Any employer who fails to provide meal periods and rest breaks to an employee in accordance with sections 290.500 to 290.530 shall be liable to the employee for any additional wages for time worked if applicable, and in addition for the additional or extra pay due employees for failing to provide meal periods or rest breaks under section 290.518 and 290.519, respectively, and for costs and such reasonable attorney fees as may be allowed by the

court or jury. The employee may bring any legal action necessary to collect the claim. Any agreement between the employee and the employer to work for less than the wage rate or to relinquish requirements associated with meal periods and rest breaks shall be no defense to the action. All actions for the collection of any deficiency in wages or failure to provide meal periods or rest breaks in accordance with sections 290.500 to 290.530 shall be commenced within three years of the accrual of the cause of action.

290.530. Nothing in sections 290.500 to 290.530 shall be deemed to interfere with, impede, or in any way diminish the right of employees to bargain collectively with their employers through representatives of their own choosing in order to establish wages, meal periods, rest breaks, or other conditions of work in excess of the applicable minimum under the provisions of sections 290.500 to 290.530.

290.600. As used in sections 290.600 through 290.642:

- (1) "Construction", includes construction, reconstruction, improvement, enlargement, alteration, painting and decorating, or major repair, and does not include maintenance.
- (2) "Construction industry", includes any employer whose employees conduct or perform construction as a principal component of the employer's business or enterprise.
- (3) "Department", Department of Labor and Industrial Relations.
- (4) "Director", Director of the Department of Labor and Industrial Relations.
- (5) "Domestic violence", as such term is defined in section 455.010.
- (6) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.
- (7) "Employee", any individual employed in this state by an employer, but does not include:
 - (A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;
 - (B) Any individual standing in loco parentis to foster children in their care;
 - (C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;
 - (D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;
 - (E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;
 - (F) Any individual employed on a casual basis to provide baby-sitting services;
 - (G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;
 - (H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;
 - (I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);
 - (J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;
 - (K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550;
 - (L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8); or

(M) Any individual employed in the construction industry and engaged in construction work, of fixed works, buildings, or structures or heavy and highway construction work, on the site of a building or construction job.

(8) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(9) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(10) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(11) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(12) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(13) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(14) "Sexual assault", as such term is defined in section 455.010.

(15) "Stalking", as such term is defined in section 455.010.

(16) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is

rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick

time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking; (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to

take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the

distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as

may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. Any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-059)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 18, 2023)

Date

February 7, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Nina DiSalvo, Esq., Policy Director, Towards Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated this initiative petition will not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this initiative petition.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact, as they believe they are excluded in the definition of employer and their employees are also excluded.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their department because it exempts public employers, which include state commissions and agencies and exempts the state from the definition of employer.

Officials from the **Department of Transportation** indicated there is no fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$13.50 per hour. This rate would increase by \$0.75 per hour each year of the next two years until reaching \$15.00 per hour by January 1, 2027.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 2,351.00
2026	\$ 5,783.00
2027	\$ 9,215.00

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered

fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated this petition does not apply to counties as employers.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county.

Officials from the **City of Kansas City** indicated this proposed amendment will have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the initiative increases to the minimum wage and benefits is currently lower than their actual experience so the petition should have no near term impact on cost.

Officials from the **Missouri Lottery** indicated no fiscal impact.

Officials from the **State Tax Commission** indicated there is no fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their Commission. The proposed sections 290.502.4, 290.518.5, and

290.519.4 RSMo specifically exclude the state and its agencies. The definition of the term "employer" in the proposed section 290.600(8) RSMo specifically excludes the state and its agencies as well. Therefore, the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.502.4, the Kansas City, MO Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated this will have no impact on their Board of Elections.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition will have little to no material fiscal impact on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated no fiscal impact.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

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January 23, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposals Related to Chapter 290, RSMo, Petition 2024-050 through 2024-061

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany the paid sick leave provisions of petitions 24-050 through 2024-061 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

⁹ *Fact Sheet: The Families First Coronavirus Response Act (FFCRA) & the Coronavirus Aid, Relief and Economic Security (CARES) Act*, A Better Balance (Jan. 8, 2021), <https://www.abetterbalance.org/resources/federal-coronavirus-proposal-the-families-first-coronavirus-response-act-h-r-6201/>.

¹⁰ Stefan Pichler et al., *COVID-19 Emergency Sick Leave Has Helped Flatten the Curve in the United States*, 39 Health Affairs 2197, 2202 (2020), available at <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>.

¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

²¹ Supriya Kumar et al., *Policies to Reduce Influenza in the Workplace: Impact Assessments Using an Agent-Based Model*, 103 Am. J. Pub. Health 1406, 1408 (Aug. 2013), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3893051/pdf/AJPH.2013.301269.pdf>.

²² Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, Nat'l Bureau of Econ. Res. (Aug. 2016), <https://www.nber.org/papers/w22530.pdf>.

²³ Human Impact Partners & S.F. Dep't of Pub. Health, *A Health Impact Assessment of the Healthy Families Act of 2009* (June 11, 2009), http://go.nationalpartnership.org/site/DocServer/WF_PSD_HFA_HealthImpactAssessment_HIA_090611.pdf?docID=5101.

²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

²⁷ Steven Sumner et al., *Factors Associated with Food Workers Working While Experiencing Vomiting or Diarrhea*, 74 J. Food Protection 215 (2011), available at http://www.cdc.gov/nceh/ehs/ehsnet/Docs/JFP_ill_food_workers.pdf.

²⁸ Tom W. Smith & Jibum Kim, *Paid Sick Days: Attitudes and Experiences*, Nat'l Opinion Res. Ctr. at U. of Chi. (June 2010), <https://www.issuelab.org/resource/paid-sick-days-attitudes-and-experiences.html>.

²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

³⁹ Appelbaum & Milkman, *supra* note 34, at 17.

⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was submitting a fiscal note regarding petitions 24-050 to 24-061. As the policy is identical to previously submitted versions, it is identical to previous material submitted regarding the minimum wage for petitions 24-016 to 24-019. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

Nina DiSalvo, Esq., Policy Director, Towards Justice provided the following information:

January 27, 2023

State Auditor's Office
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102

RE: Missouri IP 24-050 through 24-061

VIA EMAIL: fiscalnote@auditor.mo.gov

To Whom it May Concern:

Towards Justice is a non-profit law firm that represents workers in litigation and other advocacy in our home state of Colorado and across the country. We write pursuant to RsMO 116.175 to assist your office in analyzing the fiscal impact of a ballot measure regarding compensated breaks for Missouri employees that has been proposed to be submitted to the voters of the state of Missouri at the November 5, 2024 election. To that end, we offer an examination of the items in subsection (2) of section 23.140 of the governmental accounting standards board.

This analysis describes only the estimated fiscal impact of proposed meal and rest break requirements in Missouri IP 24-050 through 24-061. We understand that others will provide a fiscal analysis of the proposed increase in the Missouri minimum wage.

(1) The cost of the proposed legislation to the state for the next two fiscal years:

The proposed employee breaktime law requires private employers to provide 10-minute paid rest breaks and 30-minute, duty-free, uncompensated meal breaks to employees. The legislation does not impose these requirements on public employers, "including the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state." Therefore, any fiscal impact to the state will depend on the impact these new requirements have on the private sector.

We predict that state-mandated meal and rest break requirements will increase employee health and happiness in Missouri's private sector. Employee happiness positively impacts productivity

and task performance,¹ and improves employee energy levels at work over time.² Happiness is also associated with lower turnover rates, which reduce employer costs. In a study of turnover rates among nurses, researchers found that “implementing regularly scheduled rest breaks can be considered as an effective intervention for improving retention of nurses even in a situation of understaffing.”³

Breaks also offer mental and physical health benefits.⁴ Workers with fewer breaks suffer from poorer mental and physical health, including an “increased risk of reporting mental fatigue, physical fatigue, poor psychological detachment, inadequate rest, and poor sleep.”⁵ Meanwhile, rest breaks prevent workplace injuries, thereby reducing the cost on the state’s workers compensation fund.⁶ Increased overall health combined with the reduction in workplace injuries, reduce employee need to use sick or vacation time to deal with health issues.⁷

The increased productivity, lower turnover, better health, and reduced workplace injury rates associated with employee breaks would not only counteract any productivity loss associated with reduced on-duty time but would likely lead to an overall increase in private sector productivity in Missouri. Such a productivity increase would positively benefit the state through increased tax revenues.

(2) Whether or not the proposed legislation will establish a program or agency that will duplicate an existing program or agency:

This law will not create a program or agency. Instead, the legislation creates new rights for private sector employees in the state. The law would allow employees to use the existing court system to enforce these new rights. The law does not require the Missouri Department of Labor to participate in implementation or enforcement and would have no impact on the agency’s budget.

¹ Clement Bellet, Jan-Emmanuel De Neve, and George Ward, *Does Employee Happiness have an Impact on Productivity?* Saïd Business School WP 2019-13, Oct. 2019, <https://ssrn.com/abstract=3470734> or <http://dx.doi.org/10.2139/ssrn.3470734>; Johannes Wendsche, Andrea Lohmann-Haislah, and Jürgen Wegge, *The Impact of Supplementary Short Rest Breaks on Task Performance – A Meta-Analysis*, 2016, Sozial Politik, https://www.sozialpolitik.ch/fileadmin/user_upload/2_2016_Wendsche_final.pdf; Robert A. Henning, Pierre Jacques, Goerge V. Kissel, Anne B. Sullivan, and Sabina M. Alteras-Webb, *Frequent Short Rest Breaks from Computer Work: Effects on Productivity and Well-Being at Two Field sites*, *Ergonomics*, 1997, 40:1, 78-91, DOI: 10.1080/001401397188396, <https://pubmed.ncbi.nlm.nih.gov/8995049/>.

² Marjaana Sianoja, Ulla Kinnunen, Jessica de Bloom, Kalevi Korpela and Sabine Geurts, *Recovery During Lunch Breaks: Testing Long-Term Relations with Energy Levels at Work*, *Scandinavian Journal of Work and Organizational Psychology*, 2016, 1(1): 7, 1–12, DOI: <http://dx.doi.org/10.16993/sjowop.13>.

³ Johannes Wendsche, Winfried Hacker, and Jürgen Wegge, *Understaffing and Registered Nurses’ Turnover: The Moderating Role of Regular Rest Breaks*, 2017, *German Journal of Human Resource Management*, 31(3), 238–259, <https://doi.org/10.1177/2397002216683880>.

⁴ Alan Kohll, *New Study Shows Correlation Between Employee Engagement And The Long-Lost Lunch Break*, *Forbes*, May 29, 2018, <https://www.forbes.com/sites/alankohll/2018/05/29/new-study-shows-correlation-between-employee-engagement-and-the-long-lost-lunch-break/?sh=6c0223064efc>.

⁵ Mark Copley, Linda Weidenstedt, Birgit Leick, and Stefan Sütterlin, *Working from Home during Lockdown: The Association between Rest Breaks and Well-Being*, *Ergonomics*, 2022, DOI: 10.1080/00140139.2022.2095038, <https://doi.org/10.1080/00140139.2022.2095038>.

⁶ Dorothee Fischer, David A. Lombardi, Simon Folkard, Joanna Willetts, and David C. Christiani, *Updating the “Risk Index”: A Systematic Review and Meta-Analysis of Occupational Injuries and Work Schedule Characteristics*, *Chronobiology International*, 2017, 34:10, 1423-1438, DOI: 10.1080/07420528.2017.1367305, <https://pubmed.ncbi.nlm.nih.gov/29064297/>; see also Philip Tucker, *The Impact of Rest Breaks Upon Accident Risk, Fatigue and Performance: A Review*, *Work & Stress*, 2003, 17:2, 123-137, DOI: 10.1080/0267837031000155949, <https://www.tandfonline.com/doi/abs/10.1080/0267837031000155949>.

⁷ Centers for Disease Control and Prevention, *Workplace Health Promotion, Increase Productivity*, <https://www.cdc.gov/workplacehealthpromotion/model/control-costs/benefits/productivity.html#print>; see also Walter F. Stewart, Judith A. Ricchi, Isbeth Chee, and David Morganstein, *Lost Productive Work Time Costs From Health Conditions in the United States: Results from the American Productivity Audit*, *J Occup Environ Med*, Dec. 2003, <https://pubmed.ncbi.nlm.nih.gov/14665809/>.

(3) Whether or not there is a federal mandate for the program or agency:

There is no federal mandate requiring meal or rest break protections for Missouri workers. Instead, the federal government allows employers to design their own break-time policies, while requiring that breaks shorter than 20 minutes be paid and allowing duty-free breaks longer than 30 minutes to be unpaid.⁸ Given this relatively weak federal protection, at least 20 states have adopted their own meal break protections for employees.⁹ Absent a federal mandate, Missouri voters could choose to do the same.

(4) Whether or not the proposed program or agency will have significant direct fiscal impact upon any political subdivision of the state:

The proposed employee meal and rest break protections do not apply to public employers and therefore will not have a significant direct fiscal impact on any political subdivision of the state. It is possible that the reduced risk of on-the-job injuries correlated with regular rest breaks will reduce demand on Missouri's worker compensation program. It is also possible that meal and rest break requirements will increase overall private sector productivity in Missouri, and thereby increase state tax revenue.

(5) Whether or not any new physical facilities will be required:

No new physical facilities will be required.

(6) Whether or not the proposed legislation will have an economic impact on small businesses:

The proposed meal and rest break protections would require Missouri businesses with fewer than 50 employees to provide employee meal and rest breaks. We anticipate that the productivity benefits associated with those breaks will offset the reduction in on-duty time. Overall, we anticipate that the meal and rest break requirements proposed would positively impact both employees and small businesses in Missouri.

We hope this summary proves useful as you assess the fiscal impact of the proposed meal and rest break measure. If we can be of further assistance, please do not hesitate to contact our office.

Sincerely,
Towards Justice

⁸ U.S. Department of Labor, *Breaks and Meal Periods*, <https://www.dol.gov/general/topic/workhours/breaks>; see also 29 CFR 785.18 (Rest Periods); 29 CFR 785.19 (Meal Periods).

⁹ U.S. Department of Labor, Wage and Hour Division, *Minimum Length of Meal Period Required under State Law for Adult Employees in Private Sector*, Jan. 1, 2023, <https://www.dol.gov/agencies/whd/state/meal-breaks#>.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, St. Louis County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT

SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 18, 2023

RECEIVED

JAN 18 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 9 (2024-058)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 18, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

Notary Public (Seal)

My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending sections 290.502, 290.522, 290.525, 290.527, and 290.530 of the Revised Statutes of Missouri and enacting seventeen new sections to be known as sections 290.518, 290.519, 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [~~\$8.60~~] \$13.75 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [~~\$.85~~] \$1.25 per hour, effective January 1 of each of the next [four] two years, until it reaches [~~\$12.00~~] \$16.25 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.518. 1. Every employer shall provide employees who are to work for seven and one-half hours from the beginning of their shift a meal period of at least 30 continuous minutes. An employee who works in excess of seven and one-half hours shall be entitled to an additional 30 minute meal period for every additional seven and one-half hours worked. An employer shall schedule a meal period no earlier than two hours and no later than five hours from the beginning of a shift, and for employees entitled to a second meal period no earlier than two hours and no later than five hours from the beginning of the second period of seven and one-half hours worked.

2. Meal periods may be unpaid and not counted as time worked provided the employee is completely relieved of all duty. Meal periods shall be time worked and paid at the employee's regular rate of compensation when an employee is required to perform any duties, whether active or inactive, while taking the meal period. An employer is permitted to make the meal period on duty only when the nature of work or other circumstances exist that make it

infeasible for an employee to take a duty-free meal period. In such case, the employee shall be allowed to eat while on duty and shall be paid for the full 30 minutes on-duty meal period and further shall only be required to perform the limited duties during the meal period that make a fully duty-free meal period infeasible. It is the employer's burden to establish that a duty-free meal period is "infeasible" by demonstrating that the failure to provide a duty-free meal period was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free meal period would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a meal period in accordance with this section, the employer shall pay the employee an additional one hour of pay at the employee's regular rate of compensation for each shift that the meal period is not provided. There is a rebuttable presumption that an employee who did not take a meal period was not permitted to do so and that the employer failed to provide that employee a meal period in accordance with this section.

4. If an employer requires an employee to eat on premises, it shall provide a suitable place for that purpose, with adequate seating and tables.

5. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

6. The provisions of this section shall become effective January 1, 2025.

290.519. 1. Every employer shall provide employees a rest break of at least 10 continuous minutes for each four hours worked or major fraction thereof, to be taken as near as practical to the midpoint of each work period of four hours worked or major fraction thereof. An employer need not provide a rest break to employees whose total daily work time is less than three and one-half hours.

2. An employer shall not require the employee to perform any work during a rest break. Employees shall receive rest breaks without deduction from wages and time on rest breaks shall be considered time worked. Rest breaks are in addition to any meal period to which an employee is entitled. An employer need not provide a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof only when the nature of work or other circumstances exist that make it infeasible. In such case, the employee shall be paid an extra 10 minutes of compensation at the employee's regular rate of compensation without being required to perform additional work for that time, for each rest break of 10 continuous minutes that an employee does not receive, and further the employee shall be permitted to use restroom facilities without unreasonable restriction. It is the employer's burden to establish that providing a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof is "infeasible" by demonstrating that the failure to provide such a rest break was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free rest break would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a rest break in accordance with the applicable provisions of this Section, the employer shall pay the employee an additional 30 minutes of pay at the employee's regular rate of compensation for each work period that a rest break is not provided. There is a rebuttable presumption that an employee who did not take a rest break was not permitted to do so and that the employer failed to provide that employee a rest break in accordance with this section.

4. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

5. The provisions of this section shall become effective January 1, 2025.

290.522. Every employer subject to any provision of sections 290.500 to 290.530 or of any regulations issued under sections 290.500 to 290.530 shall keep a summary of sections 290.500 to 290.530, approved by the director, and copies of any applicable wage, meal period, and rest break regulations issued under sections 290.500 to 290.530, or a summary of the wage, meal period, and rest break regulations posted in a conspicuous and accessible place in or about the premises wherein any person subject thereto is employed. Employers shall be furnished copies of the summaries and regulations by the state on request without charge, except that the state may, but is not required to, furnish to employers copies of summaries and regulations relating to the provisions on meal periods and rest breaks without charge but regardless an employer shall keep a summary of those provisions posted consistent with this section.

290.525. Any employer who hinders the director in the performance of his duties in the enforcement of sections 290.500 to 290.530 by any of the following acts is guilty of a class C misdemeanor:

- (1) Refusing to admit the director to any place of employment;
- (2) Failing to make, keep and preserve any records as required under the provisions of sections 290.500 to 290.530;
- (3) Falsifying any record required under the provisions of sections 290.500 to 290.530;
- (4) Refusing to make any record required under the provisions of sections 290.500 to 290.530 accessible to the director;
- (5) Refusing to furnish a sworn statement of any record required under the provisions of sections 290.500 to 290.530 or any other information required for the proper enforcement of sections 290.500 to 290.530 to the director upon demand;
- (6) Failing to post a summary of sections 290.500 to 290.530 or a copy of any applicable regulation as required;
- (7) Discharging or in any other manner discriminating against any employee who has notified the director that he has not been paid wages in accordance with the provisions of sections 290.500 to 290.530, or who has caused to be instituted any proceeding under or related to sections 290.500 to 290.530, or who has testified or is about to testify in any such proceeding;
- (8) Paying or agreeing to pay wages at a rate less than the rate applicable under sections 290.500 to 290.530. Payment at such rate for any week or portion of a week constitutes a separate offense as to each employee;
- (9) Failing to provide meal periods and rest breaks in accordance with sections 290.500 to 290.530;
- ~~[(9)]~~ (10) Otherwise violating any provisions of sections 290.500 to 290.530.

Each day of violation constitutes a separate offense.

290.527. Any employer who pays any employee less wages than the wages to which the employee is entitled under or by virtue of sections 290.500 to 290.530 shall be liable to the employee affected for the full amount of the wage rate and an additional amount equal to twice the unpaid wages as liquidated damages, less any amount actually paid to the employee by the employer and for costs and such reasonable attorney fees as may be allowed by the court or jury. Any employer who fails to provide meal periods and rest breaks to an employee in accordance with sections 290.500 to 290.530 shall be liable to the employee for any additional wages for time worked if applicable, and in addition for the additional or extra pay due employees for failing to provide meal periods or rest breaks under section 290.518 and 290.519, respectively, and for costs and such reasonable attorney fees as may be allowed by the

court or jury. The employee may bring any legal action necessary to collect the claim. Any agreement between the employee and the employer to work for less than the wage rate or to relinquish requirements associated with meal periods and rest breaks shall be no defense to the action. All actions for the collection of any deficiency in wages or failure to provide meal periods or rest breaks in accordance with sections 290.500 to 290.530 shall be commenced within three years of the accrual of the cause of action.

290.530. Nothing in sections 290.500 to 290.530 shall be deemed to interfere with, impede, or in any way diminish the right of employees to bargain collectively with their employers through representatives of their own choosing in order to establish wages, meal periods, rest breaks, or other conditions of work in excess of the applicable minimum under the provisions of sections 290.500 to 290.530.

290.600. As used in sections 290.600 through 290.642:

(1) "Department", Department of Labor and Industrial Relations.

(2) "Director", Director of the Department of Labor and Industrial Relations.

(3) "Domestic violence", as such term is defined in section 455.010.

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board,

commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) "Sexual assault", as such term is defined in section 455.010.

(13) "Stalking", as such term is defined in section 455.010.

(14) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600

through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. All or any portion of the earned paid sick time requirements of sections 290.600 through 290.642 shall not apply to employees covered by a bona fide collective bargaining agreement to the extent that such requirements are expressly waived in the collective bargaining agreement in clear and unambiguous terms.

4. With the exception noted in subsection 3, any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-058)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 18, 2023)

Date

February 7, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Nina DiSalvo, Esq., Policy Director, Towards Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated this initiative petition will not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this initiative petition.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact, as they believe they are excluded in the definition of employer and their employees are also excluded.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their department because it exempts public employers, which include state commissions and agencies and exempts the state from the definition of employer.

Officials from the **Department of Transportation** indicated there is no fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$13.75 per hour. This rate would increase by \$1.25 per hour each year of the next two years until reaching \$16.25 per hour by January 1, 2027.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 3,495.00
2026	\$ 9,215.00
2027	\$ 97,725.00

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered

fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated this petition does not apply to counties as employers.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this proposed amendment will have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the initiative increases to the minimum wage and benefits is currently lower than their actual experience so the petition should have no near term impact on cost.

Officials from the **Missouri Lottery** indicated no fiscal impact to their agency.

Officials from the **State Tax Commission** indicated there is no fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their Commission. The proposed sections 290.502.4, 290.518.5, and 290.519.4 RSMo specifically exclude the state and its agencies. The definition of the term "employer" in the proposed section 290.600(8) RSMo specifically excludes the state and its agencies as well. Therefore, the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.502.4, the Kansas City, MO Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated this will have no impact on their Board of Elections.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition will have little to no material fiscal impact on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated no fiscal impact.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided the following information:



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January 23, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposals Related to Chapter 290, RSMo, Petition 2024-050 through 2024-061

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany the paid sick leave provisions of petitions 24-050 through 2024-061 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

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¹⁰ Stefan Pichler et al., *COVID-19 Emergency Sick Leave Has Helped Flatten the Curve in the United States*, 39 Health Affairs 2197, 2202 (2020), available at <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>.

¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

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²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

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²⁸ Tom W. Smith & Jibum Kim, *Paid Sick Days: Attitudes and Experiences*, Nat'l Opinion Res. Ctr. at U. of Chi. (June 2010), <https://www.issuelab.org/resource/paid-sick-days-attitudes-and-experiences.html>.

²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

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⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was submitting a fiscal note regarding petitions 24-050 to 24-061. As the policy is identical to previously submitted versions, it is identical to previous material submitted regarding the minimum wage for petitions 24-016 to 24-019. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

Nina DiSalvo, Esq., Policy Director, Towards Justice provided the following information:

January 27, 2023

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RE: Missouri IP 24-050 through 24-061

VIA EMAIL: fiscalnote@auditor.mo.gov

To Whom it May Concern:

Towards Justice is a non-profit law firm that represents workers in litigation and other advocacy in our home state of Colorado and across the country. We write pursuant to RsMO 116.175 to assist your office in analyzing the fiscal impact of a ballot measure regarding compensated breaks for Missouri employees that has been proposed to be submitted to the voters of the state of Missouri at the November 5, 2024 election. To that end, we offer an examination of the items in subsection (2) of section 23.140 of the governmental accounting standards board.

This analysis describes only the estimated fiscal impact of proposed meal and rest break requirements in Missouri IP 24-050 through 24-061. We understand that others will provide a fiscal analysis of the proposed increase in the Missouri minimum wage.

(1) The cost of the proposed legislation to the state for the next two fiscal years:

The proposed employee breaktime law requires private employers to provide 10-minute paid rest breaks and 30-minute, duty-free, uncompensated meal breaks to employees. The legislation does not impose these requirements on public employers, "including the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state." Therefore, any fiscal impact to the state will depend on the impact these new requirements have on the private sector.

We predict that state-mandated meal and rest break requirements will increase employee health and happiness in Missouri's private sector. Employee happiness positively impacts productivity

and task performance,¹ and improves employee energy levels at work over time.² Happiness is also associated with lower turnover rates, which reduce employer costs. In a study of turnover rates among nurses, researchers found that “implementing regularly scheduled rest breaks can be considered as an effective intervention for improving retention of nurses even in a situation of understaffing.”³

Breaks also offer mental and physical health benefits.⁴ Workers with fewer breaks suffer from poorer mental and physical health, including an “increased risk of reporting mental fatigue, physical fatigue, poor psychological detachment, inadequate rest, and poor sleep.”⁵ Meanwhile, rest breaks prevent workplace injuries, thereby reducing the cost on the state’s workers compensation fund.⁶ Increased overall health combined with the reduction in workplace injuries, reduce employee need to use sick or vacation time to deal with health issues.⁷

The increased productivity, lower turnover, better health, and reduced workplace injury rates associated with employee breaks would not only counteract any productivity loss associated with reduced on-duty time but would likely lead to an overall increase in private sector productivity in Missouri. Such a productivity increase would positively benefit the state through increased tax revenues.

(2) Whether or not the proposed legislation will establish a program or agency that will duplicate an existing program or agency:

This law will not create a program or agency. Instead, the legislation creates new rights for private sector employees in the state. The law would allow employees to use the existing court system to enforce these new rights. The law does not require the Missouri Department of Labor to participate in implementation or enforcement and would have no impact on the agency’s budget.

¹ Clement Bellet, Jan-Emmanuel De Neve, and George Ward, *Does Employee Happiness have an Impact on Productivity?* Saïd Business School WP 2019-13, Oct. 2019, <https://ssrn.com/abstract=3470734> or <http://dx.doi.org/10.2139/ssrn.3470734>; Johannes Wendsche, Andrea Lohmann-Haislah, and Jürgen Wegge, *The Impact of Supplementary Short Rest Breaks on Task Performance – A Meta-Analysis*, 2016, Sozial Politik, https://www.sozialpolitik.ch/fileadmin/user_upload/2_2016_Wendsche_final.pdf; Robert A. Henning, Pierre Jacques, Goerge V. Kissel, Anne B. Sullivan, and Sabina M. Alteras-Webb, *Frequent Short Rest Breaks from Computer Work: Effects on Productivity and Well-Being at Two Field sites*, *Ergonomics*, 1997, 40:1, 78-91, DOI: 10.1080/001401397188396, <https://pubmed.ncbi.nlm.nih.gov/8995049/>.

² Marjaana Sianoja, Ulla Kinnunen, Jessica de Bloom, Kalevi Korpela and Sabine Geurts, *Recovery During Lunch Breaks: Testing Long-Term Relations with Energy Levels at Work*, *Scandinavian Journal of Work and Organizational Psychology*, 2016, 1(1): 7, 1–12, DOI: <http://dx.doi.org/10.16993/sjwop.13>.

³ Johannes Wendsche, Winfried Hacker, and Jürgen Wegge, *Understaffing and Registered Nurses’ Turnover: The Moderating Role of Regular Rest Breaks*, 2017, *German Journal of Human Resource Management*, 31(3), 238–259, <https://doi.org/10.1177/2397002216683880>.

⁴ Alan Kohll, *New Study Shows Correlation Between Employee Engagement And The Long-Lost Lunch Break*, *Forbes*, May 29, 2018, <https://www.forbes.com/sites/alankohll/2018/05/29/new-study-shows-correlation-between-employee-engagement-and-the-long-lost-lunch-break/?sh=6c0223064efc>.

⁵ Mark Cropley, Linda Weidenstedt, Birgit Leick, and Stefan Sütterlin, *Working from Home during Lockdown: The Association between Rest Breaks and Well-Being*, *Ergonomics*, 2022, DOI: 10.1080/00140139.2022.2095038, <https://doi.org/10.1080/00140139.2022.2095038>.

⁶ Dorothee Fischer, David A. Lombardi, Simon Folkard, Joanna Willetts, and David C. Christiani, *Updating the “Risk Index”: A Systematic Review and Meta-Analysis of Occupational Injuries and Work Schedule Characteristics*, *Chronobiology International*, 2017, 34:10, 1423-1438, DOI: 10.1080/07420528.2017.1367305, <https://pubmed.ncbi.nlm.nih.gov/29064297/>; see also Philip Tucker, *The Impact of Rest Breaks Upon Accident Risk, Fatigue and Performance: A Review*, *Work & Stress*, 2003, 17:2, 123-137, DOI: 10.1080/0267837031000155949, <https://www.tandfonline.com/doi/abs/10.1080/0267837031000155949>.

⁷ Centers for Disease Control and Prevention, *Workplace Health Promotion, Increase Productivity*, <https://www.cdc.gov/workplacehealthpromotion/model/control-costs/benefits/productivity.html#print>; see also Walter F. Stewart, Judith A. Ricchi, Isbeth Chee, and David Morganstein, *Lost Productive Work Time Costs From Health Conditions in the United States: Results from the American Productivity Audit*, *J Occup Environ Med*, Dec. 2003, <https://pubmed.ncbi.nlm.nih.gov/14665809/>.

(3) Whether or not there is a federal mandate for the program or agency:

There is no federal mandate requiring meal or rest break protections for Missouri workers. Instead, the federal government allows employers to design their own break-time policies, while requiring that breaks shorter than 20 minutes be paid and allowing duty-free breaks longer than 30 minutes to be unpaid.⁸ Given this relatively weak federal protection, at least 20 states have adopted their own meal break protections for employees.⁹ Absent a federal mandate, Missouri voters could choose to do the same.

(4) Whether or not the proposed program or agency will have significant direct fiscal impact upon any political subdivision of the state:

The proposed employee meal and rest break protections do not apply to public employers and therefore will not have a significant direct fiscal impact on any political subdivision of the state. It is possible that the reduced risk of on-the-job injuries correlated with regular rest breaks will reduce demand on Missouri's worker compensation program. It is also possible that meal and rest break requirements will increase overall private sector productivity in Missouri, and thereby increase state tax revenue.

(5) Whether or not any new physical facilities will be required:

No new physical facilities will be required.

(6) Whether or not the proposed legislation will have an economic impact on small businesses:

The proposed meal and rest break protections would require Missouri businesses with fewer than 50 employees to provide employee meal and rest breaks. We anticipate that the productivity benefits associated with those breaks will offset the reduction in on-duty time. Overall, we anticipate that the meal and rest break requirements proposed would positively impact both employees and small businesses in Missouri.

We hope this summary proves useful as you assess the fiscal impact of the proposed meal and rest break measure. If we can be of further assistance, please do not hesitate to contact our office.

Sincerely,
Towards Justice

⁸ U.S. Department of Labor, *Breaks and Meal Periods*, <https://www.dol.gov/general/topic/workhours/breaks>; see also 29 CFR 785.18 (Rest Periods); 29 CFR 785.19 (Meal Periods).

⁹ U.S. Department of Labor, Wage and Hour Division, *Minimum Length of Meal Period Required under State Law for Adult Employees in Private Sector*, Jan. 1, 2023, <https://www.dol.gov/agencies/whd/state/meal-breaks#>.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

January 18, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 18 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 8 (2024-057)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 18, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

Notary Public (Seal)

My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending sections 290.502, 290.522, 290.525, 290.527, and 290.530 of the Revised Statutes of Missouri and enacting seventeen new sections to be known as sections 290.518, 290.519, 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [~~\$8.60~~] \$13.75 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [~~\$.85~~] \$1.25 per hour, effective January 1 of each of the next [four] two years, until it reaches [~~\$12.00~~] \$16.25 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.518. 1. Every employer shall provide employees who are to work for seven and one-half hours from the beginning of their shift a meal period of at least 30 continuous minutes. An employee who works in excess of seven and one-half hours shall be entitled to an additional 30 minute meal period for every additional seven and one-half hours worked. An employer shall schedule a meal period no earlier than two hours and no later than five hours from the beginning of a shift, and for employees entitled to a second meal period no earlier than two hours and no later than five hours from the beginning of the second period of seven and one-half hours worked.

2. Meal periods may be unpaid and not counted as time worked provided the employee is completely relieved of all duty. Meal periods shall be time worked and paid at the employee's regular rate of compensation when an employee is required to perform any duties, whether active or inactive, while taking the meal period. An employer is permitted to make the meal period on duty only when the nature of work or other circumstances exist that make it infeasible for an employee to take a duty-free meal period. In such case, the employee shall be

allowed to eat while on duty and shall be paid for the full 30 minutes on-duty meal period and further shall only be required to perform the limited duties during the meal period that make a fully duty-free meal period infeasible. It is the employer's burden to establish that a duty-free meal period is "infeasible" by demonstrating that the failure to provide a duty-free meal period was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free meal period would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a meal period in accordance with this section, the employer shall pay the employee an additional one hour of pay at the employee's regular rate of compensation for each shift that the meal period is not provided. There is a rebuttable presumption that an employee who did not take a meal period was not permitted to do so and that the employer failed to provide that employee a meal period in accordance with this section.

4. If an employer requires an employee to eat on premises, it shall provide a suitable place for that purpose, with adequate seating and tables.

5. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

6. The provisions of this section shall become effective January 1, 2025.

290.519. 1. Every employer shall provide employees a rest break of at least 10 continuous minutes for each four hours worked or major fraction thereof, to be taken as near as practical to the midpoint of each work period of four hours worked or major fraction thereof. An employer need not provide a rest break to employees whose total daily work time is less than three and one-half hours.

2. An employer shall not require the employee to perform any work during a rest break. Employees shall receive rest breaks without deduction from wages and time on rest breaks shall be considered time worked. Rest breaks are in addition to any meal period to which an employee is entitled. An employer need not provide a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof only when the nature of work or other circumstances exist that make it infeasible. In such case, the employee shall be paid an extra 10 minutes of compensation at the employee's regular rate of compensation without being required to perform additional work for that time, for each rest break of 10 continuous minutes that an employee does not receive, and further the employee shall be permitted to use restroom facilities without unreasonable restriction. It is the employer's burden to establish that providing a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof is "infeasible" by demonstrating that the failure to provide such a rest break was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free rest break would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a rest break in accordance with the applicable provisions of this Section, the employer shall pay the employee an additional 30 minutes of pay at the employee's regular rate of compensation for each work period that a rest break is not provided. There is a rebuttable presumption that an employee who did not take a rest break was not permitted to do so and that the employer failed to provide that employee a rest break in accordance with this section.

4. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

5. The provisions of this section shall become effective January 1, 2025.

290.522. Every employer subject to any provision of sections 290.500 to 290.530 or of any regulations issued under sections 290.500 to 290.530 shall keep a summary of sections 290.500 to 290.530, approved by the director, and copies of any applicable wage, meal period, and rest break regulations issued under sections 290.500 to 290.530, or a summary of the wage, meal period, and rest break regulations posted in a conspicuous and accessible place in or about the premises wherein any person subject thereto is employed. Employers shall be furnished copies of the summaries and regulations by the state on request without charge, except that the state may, but is not required to, furnish to employers copies of summaries and regulations relating to the provisions on meal periods and rest breaks without charge but regardless an employer shall keep a summary of those provisions posted consistent with this section.

290.525. Any employer who hinders the director in the performance of his duties in the enforcement of sections 290.500 to 290.530 by any of the following acts is guilty of a class C misdemeanor:

- (1) Refusing to admit the director to any place of employment;
- (2) Failing to make, keep and preserve any records as required under the provisions of sections 290.500 to 290.530;
- (3) Falsifying any record required under the provisions of sections 290.500 to 290.530;
- (4) Refusing to make any record required under the provisions of sections 290.500 to 290.530 accessible to the director;
- (5) Refusing to furnish a sworn statement of any record required under the provisions of sections 290.500 to 290.530 or any other information required for the proper enforcement of sections 290.500 to 290.530 to the director upon demand;
- (6) Failing to post a summary of sections 290.500 to 290.530 or a copy of any applicable regulation as required;
- (7) Discharging or in any other manner discriminating against any employee who has notified the director that he has not been paid wages in accordance with the provisions of sections 290.500 to 290.530, or who has caused to be instituted any proceeding under or related to sections 290.500 to 290.530, or who has testified or is about to testify in any such proceeding;
- (8) Paying or agreeing to pay wages at a rate less than the rate applicable under sections 290.500 to 290.530. Payment at such rate for any week or portion of a week constitutes a separate offense as to each employee;
- (9) Failing to provide meal periods and rest breaks in accordance with sections 290.500 to 290.530;
- ~~[(9)]~~ (10) Otherwise violating any provisions of sections 290.500 to 290.530.

Each day of violation constitutes a separate offense.

290.527. Any employer who pays any employee less wages than the wages to which the employee is entitled under or by virtue of sections 290.500 to 290.530 shall be liable to the employee affected for the full amount of the wage rate and an additional amount equal to twice the unpaid wages as liquidated damages, less any amount actually paid to the employee by the employer and for costs and such reasonable attorney fees as may be allowed by the court or jury. Any employer who fails to provide meal periods and rest breaks to an employee in accordance with sections 290.500 to 290.530 shall be liable to the employee for any additional wages for time worked if applicable, and in addition for the additional or extra pay due employees for failing to provide meal periods or rest breaks under section 290.518 and 290.519, respectively, and for costs and such reasonable attorney fees as may be allowed by the court or jury. The employee may bring any legal action necessary to collect the claim. Any

agreement between the employee and the employer to work for less than the wage rate or to relinquish requirements associated with meal periods and rest breaks shall be no defense to the action. All actions for the collection of any deficiency in wages or failure to provide meal periods or rest breaks in accordance with sections 290.500 to 290.530 shall be commenced within three years of the accrual of the cause of action.

290.530. Nothing in sections 290.500 to 290.530 shall be deemed to interfere with, impede, or in any way diminish the right of employees to bargain collectively with their employers through representatives of their own choosing in order to establish wages, meal periods, rest breaks, or other conditions of work in excess of the applicable minimum under the provisions of sections 290.500 to 290.530.

290.600. As used in sections 290.600 through 290.642:

(1) "Department", Department of Labor and Industrial Relations.

(2) "Director", Director of the Department of Labor and Industrial Relations.

(3) "Domestic violence", as such term is defined in section 455.010.

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly

rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) "Sexual assault", as such term is defined in section 455.010.

(13) "Stalking", as such term is defined in section 455.010.

(14) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking; (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600

through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. Any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-057)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 18, 2023)

Date

February 7, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Nina DiSalvo, Esq., Policy Director, Towards Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated this initiative petition will not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this initiative petition.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact, as they believe they are excluded in the definition of employer and their employees are also excluded.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their department because it exempts public employers, which include state commissions and agencies and exempts the state from the definition of employer.

Officials from the **Department of Transportation** indicated there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$13.75 per hour. This rate would increase by \$1.25 per hour each year of the next two years until reaching \$16.25 per hour by January 1, 2027.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 3,495.00
2026	\$ 9,215.00
2027	\$ 97,725.00

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each

year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated this petition does not apply to counties as employers.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county.

Officials from **St. Louis County** indicated this initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this proposed amendment will have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the initiative increases to the minimum wage and benefits is currently lower than their actual experience so the petition should have no near term impact on cost.

Officials from the **Missouri Lottery** indicated no impact.

Officials from the **State Tax Commission** indicated there is no fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their Commission. The proposed sections 290.502.4, 290.518.5, and 290.519.4 RSMo specifically exclude the state and its agencies. The definition of the term "employer" in the proposed section 290.600(8) RSMo specifically excludes the state and its agencies as well. Therefore, the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.502.4, the Kansas City, MO Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated this will have no impact on their Board of Elections.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition will have little to no material fiscal impact on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated no fiscal impact.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

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January 23, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposals Related to Chapter 290, RSMo, Petition 2024-050 through 2024-061

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany the paid sick leave provisions of petitions 24-050 through 2024-061 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

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Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

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⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

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⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

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¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

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<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

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¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

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²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

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²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

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²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

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⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was submitting a fiscal note regarding petitions 24-050 to 24-061. As the policy is identical to previously submitted versions, it is identical to previous material submitted regarding the minimum wage for petitions 24-016 to 24-019. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

Nina DiSalvo, Esq., Policy Director, Towards Justice provided the following information:

January 27, 2023

State Auditor's Office
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102

RE: Missouri IP 24-050 through 24-061

VIA EMAIL: fiscalnote@auditor.mo.gov

To Whom it May Concern:

Towards Justice is a non-profit law firm that represents workers in litigation and other advocacy in our home state of Colorado and across the country. We write pursuant to RsMO 116.175 to assist your office in analyzing the fiscal impact of a ballot measure regarding compensated breaks for Missouri employees that has been proposed to be submitted to the voters of the state of Missouri at the November 5, 2024 election. To that end, we offer an examination of the items in subsection (2) of section 23.140 of the governmental accounting standards board.

This analysis describes only the estimated fiscal impact of proposed meal and rest break requirements in Missouri IP 24-050 through 24-061. We understand that others will provide a fiscal analysis of the proposed increase in the Missouri minimum wage.

(1) The cost of the proposed legislation to the state for the next two fiscal years:

The proposed employee breaktime law requires private employers to provide 10-minute paid rest breaks and 30-minute, duty-free, uncompensated meal breaks to employees. The legislation does not impose these requirements on public employers, "including the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state." Therefore, any fiscal impact to the state will depend on the impact these new requirements have on the private sector.

We predict that state-mandated meal and rest break requirements will increase employee health and happiness in Missouri's private sector. Employee happiness positively impacts productivity

and task performance,¹ and improves employee energy levels at work over time.² Happiness is also associated with lower turnover rates, which reduce employer costs. In a study of turnover rates among nurses, researchers found that “implementing regularly scheduled rest breaks can be considered as an effective intervention for improving retention of nurses even in a situation of understaffing.”³

Breaks also offer mental and physical health benefits.⁴ Workers with fewer breaks suffer from poorer mental and physical health, including an “increased risk of reporting mental fatigue, physical fatigue, poor psychological detachment, inadequate rest, and poor sleep.”⁵ Meanwhile, rest breaks prevent workplace injuries, thereby reducing the cost on the state’s workers compensation fund.⁶ Increased overall health combined with the reduction in workplace injuries, reduce employee need to use sick or vacation time to deal with health issues.⁷

The increased productivity, lower turnover, better health, and reduced workplace injury rates associated with employee breaks would not only counteract any productivity loss associated with reduced on-duty time but would likely lead to an overall increase in private sector productivity in Missouri. Such a productivity increase would positively benefit the state through increased tax revenues.

(2) Whether or not the proposed legislation will establish a program or agency that will duplicate an existing program or agency:

This law will not create a program or agency. Instead, the legislation creates new rights for private sector employees in the state. The law would allow employees to use the existing court system to enforce these new rights. The law does not require the Missouri Department of Labor to participate in implementation or enforcement and would have no impact on the agency’s budget.

¹ Clement Bellet, Jan-Emmanuel De Neve, and George Ward, *Does Employee Happiness have an Impact on Productivity?* Saïd Business School WP 2019-13, Oct. 2019, <https://ssrn.com/abstract=3470734> or <http://dx.doi.org/10.2139/ssrn.3470734>; Johannes Wendsche, Andrea Lohmann-Haislah, and Jürgen Wegge, *The Impact of Supplementary Short Rest Breaks on Task Performance – A Meta-Analysis*, 2016, Sozial Politik, https://www.sozialpolitik.ch/fileadmin/user_upload/2_2016_Wendsche_final.pdf; Robert A. Henning, Pierre Jacques, Goerge V. Kissel, Anne B. Sullivan, and Sabina M. Alteras-Webb, *Frequent Short Rest Breaks from Computer Work: Effects on Productivity and Well-Being at Two Field sites*, *Ergonomics*, 1997, 40:1, 78-91, DOI: 10.1080/001401397188396, <https://pubmed.ncbi.nlm.nih.gov/8995049/>.

² Marjaana Sianoja, Ulla Kinnunen, Jessica de Bloom, Kalevi Korpela and Sabine Geurts, *Recovery During Lunch Breaks: Testing Long-Term Relations with Energy Levels at Work*, *Scandinavian Journal of Work and Organizational Psychology*, 2016, 1(1): 7, 1–12, DOI: <http://dx.doi.org/10.16993/sjwop.13>.

³ Johannes Wendsche, Winfried Hacker, and Jürgen Wegge, *Understaffing and Registered Nurses’ Turnover: The Moderating Role of Regular Rest Breaks*, 2017, *German Journal of Human Resource Management*, 31(3), 238–259, <https://doi.org/10.1177/2397002216683880>.

⁴ Alan Kohll, *New Study Shows Correlation Between Employee Engagement And The Long-Lost Lunch Break*, *Forbes*, May 29, 2018, <https://www.forbes.com/sites/alankohll/2018/05/29/new-study-shows-correlation-between-employee-engagement-and-the-long-lost-lunch-break/?sh=6c0223064efc>.

⁵ Mark Cropley, Linda Weidenstedt, Birgit Leick, and Stefan Sütterlin, *Working from Home during Lockdown: The Association between Rest Breaks and Well-Being*, *Ergonomics*, 2022, DOI: 10.1080/00140139.2022.2095038, <https://doi.org/10.1080/00140139.2022.2095038>.

⁶ Dorothee Fischer, David A. Lombardi, Simon Folkard, Joanna Willetts, and David C. Christiani, *Updating the “Risk Index”: A Systematic Review and Meta-Analysis of Occupational Injuries and Work Schedule Characteristics*, *Chronobiology International*, 2017, 34:10, 1423-1438, DOI: 10.1080/07420528.2017.1367305, <https://pubmed.ncbi.nlm.nih.gov/29064297/>; see also Philip Tucker, *The Impact of Rest Breaks Upon Accident Risk, Fatigue and Performance: A Review*, *Work & Stress*, 2003, 17:2, 123-137, DOI: 10.1080/0267837031000155949, <https://www.tandfonline.com/doi/abs/10.1080/0267837031000155949>.

⁷ Centers for Disease Control and Prevention, *Workplace Health Promotion, Increase Productivity*, <https://www.cdc.gov/workplacehealthpromotion/model/control-costs/benefits/productivity.html#print>; see also Walter F. Stewart, Judith A. Ricchi, Isbeth Chee, and David Morganstein, *Lost Productive Work Time Costs From Health Conditions in the United States: Results from the American Productivity Audit*, *J Occup Environ Med*, Dec. 2003, <https://pubmed.ncbi.nlm.nih.gov/14665809/>.

(3) Whether or not there is a federal mandate for the program or agency:

There is no federal mandate requiring meal or rest break protections for Missouri workers. Instead, the federal government allows employers to design their own break-time policies, while requiring that breaks shorter than 20 minutes be paid and allowing duty-free breaks longer than 30 minutes to be unpaid.⁸ Given this relatively weak federal protection, at least 20 states have adopted their own meal break protections for employees.⁹ Absent a federal mandate, Missouri voters could choose to do the same.

(4) Whether or not the proposed program or agency will have significant direct fiscal impact upon any political subdivision of the state:

The proposed employee meal and rest break protections do not apply to public employers and therefore will not have a significant direct fiscal impact on any political subdivision of the state. It is possible that the reduced risk of on-the-job injuries correlated with regular rest breaks will reduce demand on Missouri's worker compensation program. It is also possible that meal and rest break requirements will increase overall private sector productivity in Missouri, and thereby increase state tax revenue.

(5) Whether or not any new physical facilities will be required:

No new physical facilities will be required.

(6) Whether or not the proposed legislation will have an economic impact on small businesses:

The proposed meal and rest break protections would require Missouri businesses with fewer than 50 employees to provide employee meal and rest breaks. We anticipate that the productivity benefits associated with those breaks will offset the reduction in on-duty time. Overall, we anticipate that the meal and rest break requirements proposed would positively impact both employees and small businesses in Missouri.

We hope this summary proves useful as you assess the fiscal impact of the proposed meal and rest break measure. If we can be of further assistance, please do not hesitate to contact our office.

Sincerely,
Towards Justice

⁸ U.S. Department of Labor, *Breaks and Meal Periods*, <https://www.dol.gov/general/topic/workhours/breaks>; see also 29 CFR 785.18 (Rest Periods); 29 CFR 785.19 (Meal Periods).

⁹ U.S. Department of Labor, Wage and Hour Division, *Minimum Length of Meal Period Required under State Law for Adult Employees in Private Sector*, Jan. 1, 2023, <https://www.dol.gov/agencies/whd/state/meal-breaks#>.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 18, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 18 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 7 (2024-056)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 18, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending sections 290.502, 290.522, 290.525, 290.527, and 290.530 of the Revised Statutes of Missouri and enacting seventeen new sections to be known as sections 290.518, 290.519, 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [~~\$8.60~~] \$13.75 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [~~\$.85~~] \$1.25 per hour, effective January 1 of each of the next [four] two years, until it reaches [~~\$12.00~~] \$16.25 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.518. 1. Every employer shall provide employees who are to work for seven and one-half hours from the beginning of their shift a meal period of at least 30 continuous minutes. An employee who works in excess of seven and one-half hours shall be entitled to an additional 30 minute meal period for every additional seven and one-half hours worked. An employer shall schedule a meal period no earlier than two hours and no later than five hours from the beginning of a shift, and for employees entitled to a second meal period no earlier than two hours and no later than five hours from the beginning of the second period of seven and one-half hours worked.

2. Meal periods may be unpaid and not counted as time worked provided the employee is completely relieved of all duty. Meal periods shall be time worked and paid at the employee's regular rate of compensation when an employee is required to perform any duties, whether active or inactive, while taking the meal period. An employer is permitted to make the meal period on duty only when the nature of work or other circumstances exist that make it infeasible for an employee to take a duty-free meal period. In such case, the employee shall be

allowed to eat while on duty and shall be paid for the full 30 minutes on-duty meal period and further shall only be required to perform the limited duties during the meal period that make a fully duty-free meal period infeasible. It is the employer's burden to establish that a duty-free meal period is "infeasible" by demonstrating that the failure to provide a duty-free meal period was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free meal period would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a meal period in accordance with this section, the employer shall pay the employee an additional one hour of pay at the employee's regular rate of compensation for each shift that the meal period is not provided. There is a rebuttable presumption that an employee who did not take a meal period was not permitted to do so and that the employer failed to provide that employee a meal period in accordance with this section.

4. If an employer requires an employee to eat on premises, it shall provide a suitable place for that purpose, with adequate seating and tables.

5. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

6. The provisions of this section shall become effective January 1, 2025.

290.519. 1. Every employer shall provide employees a rest break of at least 10 continuous minutes for each four hours worked or major fraction thereof, to be taken as near as practical to the midpoint of each work period of four hours worked or major fraction thereof. An employer need not provide a rest break to employees whose total daily work time is less than three and one-half hours.

2. An employer shall not require the employee to perform any work during a rest break. Employees shall receive rest breaks without deduction from wages and time on rest breaks shall be considered time worked. Rest breaks are in addition to any meal period to which an employee is entitled. An employer need not provide a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof only when the nature of work or other circumstances exist that make it infeasible. In such case, the employee shall be paid an extra 10 minutes of compensation at the employee's regular rate of compensation without being required to perform additional work for that time, for each rest break of 10 continuous minutes that an employee does not receive, and further the employee shall be permitted to use restroom facilities without unreasonable restriction. It is the employer's burden to establish that providing a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof is "infeasible" by demonstrating that the failure to provide such a rest break was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free rest break would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a rest break in accordance with the applicable provisions of this Section, the employer shall pay the employee an additional 30 minutes of pay at the employee's regular rate of compensation for each work period that a rest break is not provided. There is a rebuttable presumption that an employee who did not take a rest break was not permitted to do so and that the employer failed to provide that employee a rest break in accordance with this section.

4. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

5. The provisions of this section shall become effective January 1, 2025.

290.522. Every employer subject to any provision of sections 290.500 to 290.530 or of any regulations issued under sections 290.500 to 290.530 shall keep a summary of sections 290.500 to 290.530, approved by the director, and copies of any applicable wage, meal period, and rest break regulations issued under sections 290.500 to 290.530, or a summary of the wage, meal period, and rest break regulations posted in a conspicuous and accessible place in or about the premises wherein any person subject thereto is employed. Employers shall be furnished copies of the summaries and regulations by the state on request without charge, except that the state may, but is not required to, furnish to employers copies of summaries and regulations relating to the provisions on meal periods and rest breaks without charge but regardless an employer shall keep a summary of those provisions posted consistent with this section.

290.525. Any employer who hinders the director in the performance of his duties in the enforcement of sections 290.500 to 290.530 by any of the following acts is guilty of a class C misdemeanor:

- (1) Refusing to admit the director to any place of employment;
- (2) Failing to make, keep and preserve any records as required under the provisions of sections 290.500 to 290.530;
- (3) Falsifying any record required under the provisions of sections 290.500 to 290.530;
- (4) Refusing to make any record required under the provisions of sections 290.500 to 290.530 accessible to the director;
- (5) Refusing to furnish a sworn statement of any record required under the provisions of sections 290.500 to 290.530 or any other information required for the proper enforcement of sections 290.500 to 290.530 to the director upon demand;
- (6) Failing to post a summary of sections 290.500 to 290.530 or a copy of any applicable regulation as required;
- (7) Discharging or in any other manner discriminating against any employee who has notified the director that he has not been paid wages in accordance with the provisions of sections 290.500 to 290.530, or who has caused to be instituted any proceeding under or related to sections 290.500 to 290.530, or who has testified or is about to testify in any such proceeding;
- (8) Paying or agreeing to pay wages at a rate less than the rate applicable under sections 290.500 to 290.530. Payment at such rate for any week or portion of a week constitutes a separate offense as to each employee;
- (9) Failing to provide meal periods and rest breaks in accordance with sections 290.500 to 290.530;
- ~~[(9)]~~ (10) Otherwise violating any provisions of sections 290.500 to 290.530.

Each day of violation constitutes a separate offense.

290.527. Any employer who pays any employee less wages than the wages to which the employee is entitled under or by virtue of sections 290.500 to 290.530 shall be liable to the employee affected for the full amount of the wage rate and an additional amount equal to twice the unpaid wages as liquidated damages, less any amount actually paid to the employee by the employer and for costs and such reasonable attorney fees as may be allowed by the court or jury. Any employer who fails to provide meal periods and rest breaks to an employee in accordance with sections 290.500 to 290.530 shall be liable to the employee for any additional wages for time worked if applicable, and in addition for the additional or extra pay due employees for failing to provide meal periods or rest breaks under section 290.518 and 290.519, respectively, and for costs and such reasonable attorney fees as may be allowed by the court or jury. The employee may bring any legal action necessary to collect the claim. Any

agreement between the employee and the employer to work for less than the wage rate or to relinquish requirements associated with meal periods and rest breaks shall be no defense to the action. All actions for the collection of any deficiency in wages or failure to provide meal periods or rest breaks in accordance with sections 290.500 to 290.530 shall be commenced within three years of the accrual of the cause of action.

290.530. Nothing in sections 290.500 to 290.530 shall be deemed to interfere with, impede, or in any way diminish the right of employees to bargain collectively with their employers through representatives of their own choosing in order to establish wages, meal periods, rest breaks, or other conditions of work in excess of the applicable minimum under the provisions of sections 290.500 to 290.530.

290.600. As used in sections 290.600 through 290.642:

- (1) "Construction", includes construction, reconstruction, improvement, enlargement, alteration, painting and decorating, or major repair, and does not include maintenance.
- (2) "Construction industry", includes any employer whose employees conduct or perform construction as a principal component of the employer's business or enterprise.
- (3) "Department", Department of Labor and Industrial Relations.
- (4) "Director", Director of the Department of Labor and Industrial Relations.
- (5) "Domestic violence", as such term is defined in section 455.010.
- (6) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.
- (7) "Employee", any individual employed in this state by an employer, but does not include:
 - (A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;
 - (B) Any individual standing in loco parentis to foster children in their care;
 - (C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;
 - (D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;
 - (E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;
 - (F) Any individual employed on a casual basis to provide baby-sitting services;
 - (G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;
 - (H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;
 - (I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);
 - (J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;
 - (K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550;
 - (L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8); or

(M) Any individual employed in the construction industry and engaged in construction work, of fixed works, buildings, or structures or heavy and highway construction work, on the site of a building or construction job.

(8) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(9) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(10) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(11) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(12) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(13) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(14) "Sexual assault", as such term is defined in section 455.010.

(15) "Stalking", as such term is defined in section 455.010.

(16) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is

rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick

time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to

take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the

distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as

may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. Any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-056)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 18, 2023)

Date

February 7, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Nina DiSalvo, Esq., Policy Director, Towards Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated this initiative petition will not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this initiative petition.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact, as they believe they are excluded in the definition of employer and their employees are also excluded.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their department because it exempts public employers, which include state commissions and agencies and exempts the state from the definition of employer.

Officials from the **Department of Transportation** indicated there is no fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$13.75 per hour. This rate would increase by \$1.25 per hour each year of the next two years until reaching \$16.25 per hour by January 1, 2027.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 3,495.00
2026	\$ 9,215.00
2027	\$ 97,725.00

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered

fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated this petition does not apply to counties as employers.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county.

Officials from **St. Louis County** indicated this initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this proposed amendment will have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the initiative increases to the minimum wage and benefits is currently lower than their actual experience so the petition should have no near term impact on cost.

Officials from the **Missouri Lottery** indicated no impact.

Officials from the **State Tax Commission** indicated there is no fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their Commission. The proposed sections 290.502.4, 290.518.5, and 290.519.4 RSMo specifically exclude the state and its agencies. The definition of the term "employer" in the proposed section 290.600(8) RSMo specifically excludes the state and its agencies as well. Therefore, the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.502.4, the Kansas City, MO Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated this will have no impact on their Board of Elections.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition will have little to no material fiscal impact on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated no fiscal impact.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided the following information:



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January 23, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposals Related to Chapter 290, RSMo, Petition 2024-050 through 2024-061

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany the paid sick leave provisions of petitions 24-050 through 2024-061 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

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⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

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⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

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¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

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¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

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²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

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²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

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³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

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⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was submitting a fiscal note regarding petitions 24-050 to 24-061. As the policy is identical to previously submitted versions, it is identical to previous material submitted regarding the minimum wage for petitions 24-016 to 24-019. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

Nina DiSalvo, Esq., Policy Director, Towards Justice provided the following information:

January 27, 2023

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RE: Missouri IP 24-050 through 24-061

VIA EMAIL: fiscalnote@auditor.mo.gov

To Whom it May Concern:

Towards Justice is a non-profit law firm that represents workers in litigation and other advocacy in our home state of Colorado and across the country. We write pursuant to RsMO 116.175 to assist your office in analyzing the fiscal impact of a ballot measure regarding compensated breaks for Missouri employees that has been proposed to be submitted to the voters of the state of Missouri at the November 5, 2024 election. To that end, we offer an examination of the items in subsection (2) of section 23.140 of the governmental accounting standards board.

This analysis describes only the estimated fiscal impact of proposed meal and rest break requirements in Missouri IP 24-050 through 24-061. We understand that others will provide a fiscal analysis of the proposed increase in the Missouri minimum wage.

(1) The cost of the proposed legislation to the state for the next two fiscal years:

The proposed employee breaktime law requires private employers to provide 10-minute paid rest breaks and 30-minute, duty-free, uncompensated meal breaks to employees. The legislation does not impose these requirements on public employers, "including the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state." Therefore, any fiscal impact to the state will depend on the impact these new requirements have on the private sector.

We predict that state-mandated meal and rest break requirements will increase employee health and happiness in Missouri's private sector. Employee happiness positively impacts productivity

and task performance,¹ and improves employee energy levels at work over time.² Happiness is also associated with lower turnover rates, which reduce employer costs. In a study of turnover rates among nurses, researchers found that “implementing regularly scheduled rest breaks can be considered as an effective intervention for improving retention of nurses even in a situation of understaffing.”³

Breaks also offer mental and physical health benefits.⁴ Workers with fewer breaks suffer from poorer mental and physical health, including an “increased risk of reporting mental fatigue, physical fatigue, poor psychological detachment, inadequate rest, and poor sleep.”⁵ Meanwhile, rest breaks prevent workplace injuries, thereby reducing the cost on the state’s workers compensation fund.⁶ Increased overall health combined with the reduction in workplace injuries, reduce employee need to use sick or vacation time to deal with health issues.⁷

The increased productivity, lower turnover, better health, and reduced workplace injury rates associated with employee breaks would not only counteract any productivity loss associated with reduced on-duty time but would likely lead to an overall increase in private sector productivity in Missouri. Such a productivity increase would positively benefit the state through increased tax revenues.

(2) Whether or not the proposed legislation will establish a program or agency that will duplicate an existing program or agency:

This law will not create a program or agency. Instead, the legislation creates new rights for private sector employees in the state. The law would allow employees to use the existing court system to enforce these new rights. The law does not require the Missouri Department of Labor to participate in implementation or enforcement and would have no impact on the agency’s budget.

¹ Clement Bellet, Jan-Emmanuel De Neve, and George Ward, *Does Employee Happiness have an Impact on Productivity?* Saïd Business School WP 2019-13, Oct. 2019, <https://ssrn.com/abstract=3470734> or <http://dx.doi.org/10.2139/ssrn.3470734>; Johannes Wendsche, Andrea Lohmann-Haislah, and Jürgen Wegge, *The Impact of Supplementary Short Rest Breaks on Task Performance – A Meta-Analysis*, 2016, Sozial Politik, https://www.sozialpolitik.ch/fileadmin/user_upload/2_2016_Wendsche_final.pdf; Robert A. Henning, Pierre Jacques, Goerge V. Kissel, Anne B. Sullivan, and Sabina M. Alteras-Webb, *Frequent Short Rest Breaks from Computer Work: Effects on Productivity and Well-Being at Two Field sites*, *Ergonomics*, 1997, 40:1, 78-91, DOI: 10.1080/001401397188396, <https://pubmed.ncbi.nlm.nih.gov/8995049/>.

² Marjaana Sianoja, Ulla Kinnunen, Jessica de Bloom, Kalevi Korpela and Sabine Geurts, *Recovery During Lunch Breaks: Testing Long-Term Relations with Energy Levels at Work*, *Scandinavian Journal of Work and Organizational Psychology*, 2016, 1(1): 7, 1–12, DOI: <http://dx.doi.org/10.16993/sjwop.13>.

³ Johannes Wendsche, Winfried Hacker, and Jürgen Wegge, *Understaffing and Registered Nurses’ Turnover: The Moderating Role of Regular Rest Breaks*, 2017, *German Journal of Human Resource Management*, 31(3), 238–259, <https://doi.org/10.1177/2397002216683880>.

⁴ Alan Kohll, *New Study Shows Correlation Between Employee Engagement And The Long-Lost Lunch Break*, *Forbes*, May 29, 2018, <https://www.forbes.com/sites/alankohll/2018/05/29/new-study-shows-correlation-between-employee-engagement-and-the-long-lost-lunch-break/?sh=6c0223064efc>.

⁵ Mark Copley, Linda Weidenstedt, Birgit Leick, and Stefan Sütterlin, *Working from Home during Lockdown: The Association between Rest Breaks and Well-Being*, *Ergonomics*, 2022, DOI: 10.1080/00140139.2022.2095038, <https://doi.org/10.1080/00140139.2022.2095038>.

⁶ Dorothee Fischer, David A. Lombardi, Simon Folkard, Joanna Willetts, and David C. Christiani, *Updating the “Risk Index”: A Systematic Review and Meta-Analysis of Occupational Injuries and Work Schedule Characteristics*, *Chronobiology International*, 2017, 34:10, 1423-1438, DOI: 10.1080/07420528.2017.1367305, <https://pubmed.ncbi.nlm.nih.gov/29064297/>; see also Philip Tucker, *The Impact of Rest Breaks Upon Accident Risk, Fatigue and Performance: A Review*, *Work & Stress*, 2003, 17:2, 123-137, DOI: 10.1080/0267837031000155949, <https://www.tandfonline.com/doi/abs/10.1080/0267837031000155949>.

⁷ Centers for Disease Control and Prevention, *Workplace Health Promotion, Increase Productivity*, <https://www.cdc.gov/workplacehealthpromotion/model/control-costs/benefits/productivity.html#print>; see also Walter F. Stewart, Judith A. Ricchi, Isbeth Chee, and David Morganstein, *Lost Productive Work Time Costs From Health Conditions in the United States: Results from the American Productivity Audit*, *J Occup Environ Med*, Dec. 2003, <https://pubmed.ncbi.nlm.nih.gov/14665809/>.

(3) Whether or not there is a federal mandate for the program or agency:

There is no federal mandate requiring meal or rest break protections for Missouri workers. Instead, the federal government allows employers to design their own break-time policies, while requiring that breaks shorter than 20 minutes be paid and allowing duty-free breaks longer than 30 minutes to be unpaid.⁸ Given this relatively weak federal protection, at least 20 states have adopted their own meal break protections for employees.⁹ Absent a federal mandate, Missouri voters could choose to do the same.

(4) Whether or not the proposed program or agency will have significant direct fiscal impact upon any political subdivision of the state:

The proposed employee meal and rest break protections do not apply to public employers and therefore will not have a significant direct fiscal impact on any political subdivision of the state. It is possible that the reduced risk of on-the-job injuries correlated with regular rest breaks will reduce demand on Missouri's worker compensation program. It is also possible that meal and rest break requirements will increase overall private sector productivity in Missouri, and thereby increase state tax revenue.

(5) Whether or not any new physical facilities will be required:

No new physical facilities will be required.

(6) Whether or not the proposed legislation will have an economic impact on small businesses:

The proposed meal and rest break protections would require Missouri businesses with fewer than 50 employees to provide employee meal and rest breaks. We anticipate that the productivity benefits associated with those breaks will offset the reduction in on-duty time. Overall, we anticipate that the meal and rest break requirements proposed would positively impact both employees and small businesses in Missouri.

We hope this summary proves useful as you assess the fiscal impact of the proposed meal and rest break measure. If we can be of further assistance, please do not hesitate to contact our office.

Sincerely,
Towards Justice

⁸ U.S. Department of Labor, *Breaks and Meal Periods*, <https://www.dol.gov/general/topic/workhours/breaks>; see also 29 CFR 785.18 (Rest Periods); 29 CFR 785.19 (Meal Periods).

⁹ U.S. Department of Labor, Wage and Hour Division, *Minimum Length of Meal Period Required under State Law for Adult Employees in Private Sector*, Jan. 1, 2023, <https://www.dol.gov/agencies/whd/state/meal-breaks#>.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 18, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 18 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 6 (2024-055)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 18, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Signature of Notary	Address of Notary	Notary Public (Seal) My commission expires _____
Printed Name of Affiant	City, State and Zip Code of Affiant			

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending sections 290.502, 290.522, 290.525, 290.527, and 290.530 of the Revised Statutes of Missouri and enacting seventeen new sections to be known as sections 290.518, 290.519, 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [\$8.60] \$13.75 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased [each year] by [\$.85] \$1.25 per hour, [effective January 1 of each of the next four years, until it reaches \$12.00 per hour] to \$15.00 per hour, effective January 1, [2023] 2026. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2027, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.518. 1. Every employer shall provide employees who are to work for seven and one-half hours from the beginning of their shift a meal period of at least 30 continuous minutes. An employee who works in excess of seven and one-half hours shall be entitled to an additional 30 minute meal period for every additional seven and one-half hours worked. An employer shall schedule a meal period no earlier than two hours and no later than five hours from the beginning of a shift, and for employees entitled to a second meal period no earlier than two hours and no later than five hours from the beginning of the second period of seven and one-half hours worked.

2. Meal periods may be unpaid and not counted as time worked provided the employee is completely relieved of all duty. Meal periods shall be time worked and paid at the employee's regular rate of compensation when an employee is required to perform any duties, whether active or inactive, while taking the meal period. An employer is permitted to make the meal period on duty only when the nature of work or other circumstances exist that make it

infeasible for an employee to take a duty-free meal period. In such case, the employee shall be allowed to eat while on duty and shall be paid for the full 30 minutes on-duty meal period and further shall only be required to perform the limited duties during the meal period that make a fully duty-free meal period infeasible. It is the employer's burden to establish that a duty-free meal period is "infeasible" by demonstrating that the failure to provide a duty-free meal period was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free meal period would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a meal period in accordance with this section, the employer shall pay the employee an additional one hour of pay at the employee's regular rate of compensation for each shift that the meal period is not provided. There is a rebuttable presumption that an employee who did not take a meal period was not permitted to do so and that the employer failed to provide that employee a meal period in accordance with this section.

4. If an employer requires an employee to eat on premises, it shall provide a suitable place for that purpose, with adequate seating and tables.

5. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

6. The provisions of this section shall become effective January 1, 2025.

290.519. 1. Every employer shall provide employees a rest break of at least 10 continuous minutes for each four hours worked or major fraction thereof, to be taken as near as practical to the midpoint of each work period of four hours worked or major fraction thereof. An employer need not provide a rest break to employees whose total daily work time is less than three and one-half hours.

2. An employer shall not require the employee to perform any work during a rest break. Employees shall receive rest breaks without deduction from wages and time on rest breaks shall be considered time worked. Rest breaks are in addition to any meal period to which an employee is entitled. An employer need not provide a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof only when the nature of work or other circumstances exist that make it infeasible. In such case, the employee shall be paid an extra 10 minutes of compensation at the employee's regular rate of compensation without being required to perform additional work for that time, for each rest break of 10 continuous minutes that an employee does not receive, and further the employee shall be permitted to use restroom facilities without unreasonable restriction. It is the employer's burden to establish that providing a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof is "infeasible" by demonstrating that the failure to provide such a rest break was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free rest break would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a rest break in accordance with the applicable provisions of this Section, the employer shall pay the employee an additional 30 minutes of pay at the employee's regular rate of compensation for each work period that a rest break is not provided. There is a rebuttable presumption that an employee who did not take a rest break was not permitted to do so and that the employer failed to provide that employee a rest break in accordance with this section.

4. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

5. The provisions of this section shall become effective January 1, 2025.

290.522. Every employer subject to any provision of sections 290.500 to 290.530 or of any regulations issued under sections 290.500 to 290.530 shall keep a summary of sections 290.500 to 290.530, approved by the director, and copies of any applicable wage, meal period, and rest break regulations issued under sections 290.500 to 290.530, or a summary of the wage, meal period, and rest break regulations posted in a conspicuous and accessible place in or about the premises wherein any person subject thereto is employed. Employers shall be furnished copies of the summaries and regulations by the state on request without charge, except that the state may, but is not required to, furnish to employers copies of summaries and regulations relating to the provisions on meal periods and rest breaks without charge but regardless an employer shall keep a summary of those provisions posted consistent with this section.

290.525. Any employer who hinders the director in the performance of his duties in the enforcement of sections 290.500 to 290.530 by any of the following acts is guilty of a class C misdemeanor:

- (1) Refusing to admit the director to any place of employment;
- (2) Failing to make, keep and preserve any records as required under the provisions of sections 290.500 to 290.530;
- (3) Falsifying any record required under the provisions of sections 290.500 to 290.530;
- (4) Refusing to make any record required under the provisions of sections 290.500 to 290.530 accessible to the director;
- (5) Refusing to furnish a sworn statement of any record required under the provisions of sections 290.500 to 290.530 or any other information required for the proper enforcement of sections 290.500 to 290.530 to the director upon demand;
- (6) Failing to post a summary of sections 290.500 to 290.530 or a copy of any applicable regulation as required;
- (7) Discharging or in any other manner discriminating against any employee who has notified the director that he has not been paid wages in accordance with the provisions of sections 290.500 to 290.530, or who has caused to be instituted any proceeding under or related to sections 290.500 to 290.530, or who has testified or is about to testify in any such proceeding;
- (8) Paying or agreeing to pay wages at a rate less than the rate applicable under sections 290.500 to 290.530. Payment at such rate for any week or portion of a week constitutes a separate offense as to each employee;
- (9) Failing to provide meal periods and rest breaks in accordance with sections 290.500 to 290.530;
- ~~[(9)]~~ (10) Otherwise violating any provisions of sections 290.500 to 290.530.

Each day of violation constitutes a separate offense.

290.527. Any employer who pays any employee less wages than the wages to which the employee is entitled under or by virtue of sections 290.500 to 290.530 shall be liable to the employee affected for the full amount of the wage rate and an additional amount equal to twice the unpaid wages as liquidated damages, less any amount actually paid to the employee by the employer and for costs and such reasonable attorney fees as may be allowed by the court or jury. Any employer who fails to provide meal periods and rest breaks to an employee in accordance with sections 290.500 to 290.530 shall be liable to the employee for any additional wages for time worked if applicable, and in addition for the additional or extra pay due employees for failing to provide meal periods or rest breaks under section 290.518 and 290.519, respectively, and for costs and such reasonable attorney fees as may be allowed by the

court or jury. The employee may bring any legal action necessary to collect the claim. Any agreement between the employee and the employer to work for less than the wage rate or to relinquish requirements associated with meal periods and rest breaks shall be no defense to the action. All actions for the collection of any deficiency in wages or failure to provide meal periods or rest breaks in accordance with sections 290.500 to 290.530 shall be commenced within three years of the accrual of the cause of action.

290.530. Nothing in sections 290.500 to 290.530 shall be deemed to interfere with, impede, or in any way diminish the right of employees to bargain collectively with their employers through representatives of their own choosing in order to establish wages, meal periods, rest breaks, or other conditions of work in excess of the applicable minimum under the provisions of sections 290.500 to 290.530.

290.600. As used in sections 290.600 through 290.642:

(1) "Department", Department of Labor and Industrial Relations.

(2) "Director", Director of the Department of Labor and Industrial Relations.

(3) "Domestic violence", as such term is defined in section 455.010.

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board,

commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) "Sexual assault", as such term is defined in section 455.010.

(13) "Stalking", as such term is defined in section 455.010.

(14) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600

through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. All or any portion of the earned paid sick time requirements of sections 290.600 through 290.642 shall not apply to employees covered by a bona fide collective bargaining agreement to the extent that such requirements are expressly waived in the collective bargaining agreement in clear and unambiguous terms.

4. With the exception noted in subsection 3, any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-055)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 18, 2023)

Date

February 7, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Nina DiSalvo, Esq., Policy Director, Towards Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated this initiative petition will not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their office.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this initiative petition.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage and employee leave does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact, as they believe they are excluded in the definition of employer and their employees are also excluded.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their department because it exempts public employers, which include state commissions and agencies and exempts the state from the definition of employer.

Officials from the **Department of Transportation** indicated there is no fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$13.75 per hour. This rate would increase by \$1.25 per hour by January 1, 2026 to \$15.00 per hour.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 3,495.00
2026	\$ 9,215.00

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions

certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated this petition does not apply to counties as employers.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county.

Officials from **St. Louis County** indicated this initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this proposed amendment will have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the initiative increases to the minimum wage and benefits is currently lower than their actual experience so the petition should have no near term impact on cost.

Officials from the **Missouri Lottery** indicated no fiscal impact.

Officials from the **State Tax Commission** indicated there is no fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their Commission. The proposed sections 290.502.4, 290.518.5, and 290.519.4 RSMo specifically exclude the state and its agencies. The definition of the term "employer" in the proposed section 290.600(8) RSMo specifically excludes the state and its agencies as well. Therefore, the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.502.4, the Kansas City, MO Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated this will have no impact on their Board of Elections.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition will have little to no material effect impact on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated no fiscal impact.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

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January 23, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposals Related to Chapter 290, RSMo, Petition 2024-050 through 2024-061

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany the paid sick leave provisions of petitions 24-050 through 2024-061 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

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- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

⁹ *Fact Sheet: The Families First Coronavirus Response Act (FFCRA) & the Coronavirus Aid, Relief and Economic Security (CARES) Act*, A Better Balance (Jan. 8, 2021), <https://www.abetterbalance.org/resources/federal-coronavirus-proposal-the-families-first-coronavirus-response-act-h-r-6201/>.

¹⁰ Stefan Pichler et al., *COVID-19 Emergency Sick Leave Has Helped Flatten the Curve in the United States*, 39 Health Affairs 2197, 2202 (2020), available at <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>.

¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

²¹ Supriya Kumar et al., *Policies to Reduce Influenza in the Workplace: Impact Assessments Using an Agent-Based Model*, 103 Am. J. Pub. Health 1406, 1408 (Aug. 2013), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3893051/pdf/AJPH.2013.301269.pdf>.

²² Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, Nat'l Bureau of Econ. Res. (Aug. 2016), <https://www.nber.org/papers/w22530.pdf>.

²³ Human Impact Partners & S.F. Dep't of Pub. Health, *A Health Impact Assessment of the Healthy Families Act of 2009* (June 11, 2009), http://go.nationalpartnership.org/site/DocServer/WF_PSD_HFA_HealthImpactAssessment_HIA_090611.pdf?docID=5101.

²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

²⁷ Steven Sumner et al., *Factors Associated with Food Workers Working While Experiencing Vomiting or Diarrhea*, 74 J. Food Protection 215 (2011), available at http://www.cdc.gov/nceh/ehs/ehsnet/Docs/JFP_ill_food_workers.pdf.

²⁸ Tom W. Smith & Jibum Kim, *Paid Sick Days: Attitudes and Experiences*, Nat'l Opinion Res. Ctr. at U. of Chi. (June 2010), <https://www.issuelab.org/resource/paid-sick-days-attitudes-and-experiences.html>.

²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportwAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

³⁹ Appelbaum & Milkman, *supra* note 34, at 17.

⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was submitting a fiscal note regarding petitions 24-050 to 24-061. As the policy is identical to previously submitted versions, it is identical to previous material submitted regarding the minimum wage for petitions 24-016 to 24-019. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

7

<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

Nina DiSalvo, Esq., Policy Director, Towards Justice provided the following information:

January 27, 2023

State Auditor's Office
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102

RE: Missouri IP 24-050 through 24-061

VIA EMAIL: fiscalnote@auditor.mo.gov

To Whom it May Concern:

Towards Justice is a non-profit law firm that represents workers in litigation and other advocacy in our home state of Colorado and across the country. We write pursuant to RsMO 116.175 to assist your office in analyzing the fiscal impact of a ballot measure regarding compensated breaks for Missouri employees that has been proposed to be submitted to the voters of the state of Missouri at the November 5, 2024 election. To that end, we offer an examination of the items in subsection (2) of section 23.140 of the governmental accounting standards board.

This analysis describes only the estimated fiscal impact of proposed meal and rest break requirements in Missouri IP 24-050 through 24-061. We understand that others will provide a fiscal analysis of the proposed increase in the Missouri minimum wage.

(1) The cost of the proposed legislation to the state for the next two fiscal years:

The proposed employee breaktime law requires private employers to provide 10-minute paid rest breaks and 30-minute, duty-free, uncompensated meal breaks to employees. The legislation does not impose these requirements on public employers, "including the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state." Therefore, any fiscal impact to the state will depend on the impact these new requirements have on the private sector.

We predict that state-mandated meal and rest break requirements will increase employee health and happiness in Missouri's private sector. Employee happiness positively impacts productivity

and task performance,¹ and improves employee energy levels at work over time.² Happiness is also associated with lower turnover rates, which reduce employer costs. In a study of turnover rates among nurses, researchers found that “implementing regularly scheduled rest breaks can be considered as an effective intervention for improving retention of nurses even in a situation of understaffing.”³

Breaks also offer mental and physical health benefits.⁴ Workers with fewer breaks suffer from poorer mental and physical health, including an “increased risk of reporting mental fatigue, physical fatigue, poor psychological detachment, inadequate rest, and poor sleep.”⁵ Meanwhile, rest breaks prevent workplace injuries, thereby reducing the cost on the state’s workers compensation fund.⁶ Increased overall health combined with the reduction in workplace injuries, reduce employee need to use sick or vacation time to deal with health issues.⁷

The increased productivity, lower turnover, better health, and reduced workplace injury rates associated with employee breaks would not only counteract any productivity loss associated with reduced on-duty time but would likely lead to an overall increase in private sector productivity in Missouri. Such a productivity increase would positively benefit the state through increased tax revenues.

(2) Whether or not the proposed legislation will establish a program or agency that will duplicate an existing program or agency:

This law will not create a program or agency. Instead, the legislation creates new rights for private sector employees in the state. The law would allow employees to use the existing court system to enforce these new rights. The law does not require the Missouri Department of Labor to participate in implementation or enforcement and would have no impact on the agency’s budget.

¹ Clement Bellet, Jan-Emmanuel De Neve, and George Ward, *Does Employee Happiness have an Impact on Productivity?* Saïd Business School WP 2019-13, Oct. 2019, <https://ssrn.com/abstract=3470734> or <http://dx.doi.org/10.2139/ssrn.3470734>; Johannes Wendsche, Andrea Lohmann-Haislah, and Jürgen Wegge, *The Impact of Supplementary Short Rest Breaks on Task Performance – A Meta-Analysis*, 2016, Sozial Politik, https://www.sozialpolitik.ch/fileadmin/user_upload/2_2016_Wendsche_final.pdf; Robert A. Henning, Pierre Jacques, Goerge V. Kissel, Anne B. Sullivan, and Sabina M. Alteras-Webb, *Frequent Short Rest Breaks from Computer Work: Effects on Productivity and Well-Being at Two Field sites*, *Ergonomics*, 1997, 40:1, 78-91, DOI: 10.1080/001401397188396, <https://pubmed.ncbi.nlm.nih.gov/8995049/>.

² Marjaana Sianoja, Ulla Kinnunen, Jessica de Bloom, Kalevi Korpela and Sabine Geurts, *Recovery During Lunch Breaks: Testing Long-Term Relations with Energy Levels at Work*, *Scandinavian Journal of Work and Organizational Psychology*, 2016, 1(1): 7, 1–12, DOI: <http://dx.doi.org/10.16993/sjwop.13>.

³ Johannes Wendsche, Winfried Hacker, and Jürgen Wegge, *Understaffing and Registered Nurses’ Turnover: The Moderating Role of Regular Rest Breaks*, 2017, *German Journal of Human Resource Management*, 31(3), 238–259, <https://doi.org/10.1177/2397002216683880>.

⁴ Alan Kohll, *New Study Shows Correlation Between Employee Engagement And The Long-Lost Lunch Break*, *Forbes*, May 29, 2018, <https://www.forbes.com/sites/alankohll/2018/05/29/new-study-shows-correlation-between-employee-engagement-and-the-long-lost-lunch-break/?sh=6c0223064efc>.

⁵ Mark Cropley, Linda Weidenstedt, Birgit Leick, and Stefan Sütterlin, *Working from Home during Lockdown: The Association between Rest Breaks and Well-Being*, *Ergonomics*, 2022, DOI: 10.1080/00140139.2022.2095038, <https://doi.org/10.1080/00140139.2022.2095038>.

⁶ Dorothee Fischer, David A. Lombardi, Simon Folkard, Joanna Willetts, and David C. Christiani, *Updating the “Risk Index”: A Systematic Review and Meta-Analysis of Occupational Injuries and Work Schedule Characteristics*, *Chronobiology International*, 2017, 34:10, 1423-1438, DOI: 10.1080/07420528.2017.1367305, <https://pubmed.ncbi.nlm.nih.gov/29064297/>; see also Philip Tucker, *The Impact of Rest Breaks Upon Accident Risk, Fatigue and Performance: A Review*, *Work & Stress*, 2003, 17:2, 123-137, DOI: 10.1080/0267837031000155949, <https://www.tandfonline.com/doi/abs/10.1080/0267837031000155949>.

⁷ Centers for Disease Control and Prevention, *Workplace Health Promotion, Increase Productivity*, <https://www.cdc.gov/workplacehealthpromotion/model/control-costs/benefits/productivity.html#print>; see also Walter F. Stewart, Judith A. Ricchi, Isbeth Chee, and David Morganstein, *Lost Productive Work Time Costs From Health Conditions in the United States: Results from the American Productivity Audit*, *J Occup Environ Med*, Dec. 2003, <https://pubmed.ncbi.nlm.nih.gov/14665809/>.

(3) Whether or not there is a federal mandate for the program or agency:

There is no federal mandate requiring meal or rest break protections for Missouri workers. Instead, the federal government allows employers to design their own break-time policies, while requiring that breaks shorter than 20 minutes be paid and allowing duty-free breaks longer than 30 minutes to be unpaid.⁸ Given this relatively weak federal protection, at least 20 states have adopted their own meal break protections for employees.⁹ Absent a federal mandate, Missouri voters could choose to do the same.

(4) Whether or not the proposed program or agency will have significant direct fiscal impact upon any political subdivision of the state:

The proposed employee meal and rest break protections do not apply to public employers and therefore will not have a significant direct fiscal impact on any political subdivision of the state. It is possible that the reduced risk of on-the-job injuries correlated with regular rest breaks will reduce demand on Missouri's worker compensation program. It is also possible that meal and rest break requirements will increase overall private sector productivity in Missouri, and thereby increase state tax revenue.

(5) Whether or not any new physical facilities will be required:

No new physical facilities will be required.

(6) Whether or not the proposed legislation will have an economic impact on small businesses:

The proposed meal and rest break protections would require Missouri businesses with fewer than 50 employees to provide employee meal and rest breaks. We anticipate that the productivity benefits associated with those breaks will offset the reduction in on-duty time. Overall, we anticipate that the meal and rest break requirements proposed would positively impact both employees and small businesses in Missouri.

We hope this summary proves useful as you assess the fiscal impact of the proposed meal and rest break measure. If we can be of further assistance, please do not hesitate to contact our office.

Sincerely,
Towards Justice

⁸ U.S. Department of Labor, *Breaks and Meal Periods*, <https://www.dol.gov/general/topic/workhours/breaks>; see also 29 CFR 785.18 (Rest Periods); 29 CFR 785.19 (Meal Periods).

⁹ U.S. Department of Labor, Wage and Hour Division, *Minimum Length of Meal Period Required under State Law for Adult Employees in Private Sector*, Jan. 1, 2023, <https://www.dol.gov/agencies/whd/state/meal-breaks#>.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 18, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 18 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 5 (2024-054)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 18, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

Notary Public (Seal)

My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending sections 290.502, 290.522, 290.525, 290.527, and 290.530 of the Revised Statutes of Missouri and enacting seventeen new sections to be known as sections 290.518, 290.519, 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [\$8.60] \$13.75 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased [each year] by [\$.85] \$1.25 per hour, [effective January 1 of each of the next four years, until it reaches \$12.00 per hour] to \$15.00 per hour, effective January 1, [2023] 2026. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2027, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.518. 1. Every employer shall provide employees who are to work for seven and one-half hours from the beginning of their shift a meal period of at least 30 continuous minutes. An employee who works in excess of seven and one-half hours shall be entitled to an additional 30 minute meal period for every additional seven and one-half hours worked. An employer shall schedule a meal period no earlier than two hours and no later than five hours from the beginning of a shift, and for employees entitled to a second meal period no earlier than two hours and no later than five hours from the beginning of the second period of seven and one-half hours worked.

2. Meal periods may be unpaid and not counted as time worked provided the employee is completely relieved of all duty. Meal periods shall be time worked and paid at the employee's regular rate of compensation when an employee is required to perform any duties, whether active or inactive, while taking the meal period. An employer is permitted to make the meal period on duty only when the nature of work or other circumstances exist that make it

infeasible for an employee to take a duty-free meal period. In such case, the employee shall be allowed to eat while on duty and shall be paid for the full 30 minutes on-duty meal period and further shall only be required to perform the limited duties during the meal period that make a fully duty-free meal period infeasible. It is the employer's burden to establish that a duty-free meal period is "infeasible" by demonstrating that the failure to provide a duty-free meal period was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free meal period would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a meal period in accordance with this section, the employer shall pay the employee an additional one hour of pay at the employee's regular rate of compensation for each shift that the meal period is not provided. There is a rebuttable presumption that an employee who did not take a meal period was not permitted to do so and that the employer failed to provide that employee a meal period in accordance with this section.

4. If an employer requires an employee to eat on premises, it shall provide a suitable place for that purpose, with adequate seating and tables.

5. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

6. The provisions of this section shall become effective January 1, 2025.

290.519. 1. Every employer shall provide employees a rest break of at least 10 continuous minutes for each four hours worked or major fraction thereof, to be taken as near as practical to the midpoint of each work period of four hours worked or major fraction thereof. An employer need not provide a rest break to employees whose total daily work time is less than three and one-half hours.

2. An employer shall not require the employee to perform any work during a rest break. Employees shall receive rest breaks without deduction from wages and time on rest breaks shall be considered time worked. Rest breaks are in addition to any meal period to which an employee is entitled. An employer need not provide a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof only when the nature of work or other circumstances exist that make it infeasible. In such case, the employee shall be paid an extra 10 minutes of compensation at the employee's regular rate of compensation without being required to perform additional work for that time, for each rest break of 10 continuous minutes that an employee does not receive, and further the employee shall be permitted to use restroom facilities without unreasonable restriction. It is the employer's burden to establish that providing a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof is "infeasible" by demonstrating that the failure to provide such a rest break was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free rest break would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a rest break in accordance with the applicable provisions of this Section, the employer shall pay the employee an additional 30 minutes of pay at the employee's regular rate of compensation for each work period that a rest break is not provided. There is a rebuttable presumption that an employee who did not take a rest break was not permitted to do so and that the employer failed to provide that employee a rest break in accordance with this section.

4. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

5. The provisions of this section shall become effective January 1, 2025.

290.522. Every employer subject to any provision of sections 290.500 to 290.530 or of any regulations issued under sections 290.500 to 290.530 shall keep a summary of sections 290.500 to 290.530, approved by the director, and copies of any applicable wage, meal period, and rest break regulations issued under sections 290.500 to 290.530, or a summary of the wage, meal period, and rest break regulations posted in a conspicuous and accessible place in or about the premises wherein any person subject thereto is employed. Employers shall be furnished copies of the summaries and regulations by the state on request without charge, except that the state may, but is not required to, furnish to employers copies of summaries and regulations relating to the provisions on meal periods and rest breaks without charge but regardless an employer shall keep a summary of those provisions posted consistent with this section.

290.525. Any employer who hinders the director in the performance of his duties in the enforcement of sections 290.500 to 290.530 by any of the following acts is guilty of a class C misdemeanor:

- (1) Refusing to admit the director to any place of employment;
- (2) Failing to make, keep and preserve any records as required under the provisions of sections 290.500 to 290.530;
- (3) Falsifying any record required under the provisions of sections 290.500 to 290.530;
- (4) Refusing to make any record required under the provisions of sections 290.500 to 290.530 accessible to the director;
- (5) Refusing to furnish a sworn statement of any record required under the provisions of sections 290.500 to 290.530 or any other information required for the proper enforcement of sections 290.500 to 290.530 to the director upon demand;
- (6) Failing to post a summary of sections 290.500 to 290.530 or a copy of any applicable regulation as required;
- (7) Discharging or in any other manner discriminating against any employee who has notified the director that he has not been paid wages in accordance with the provisions of sections 290.500 to 290.530, or who has caused to be instituted any proceeding under or related to sections 290.500 to 290.530, or who has testified or is about to testify in any such proceeding;
- (8) Paying or agreeing to pay wages at a rate less than the rate applicable under sections 290.500 to 290.530. Payment at such rate for any week or portion of a week constitutes a separate offense as to each employee;
- (9) Failing to provide meal periods and rest breaks in accordance with sections 290.500 to 290.530;
- ~~[(9)]~~ (10) Otherwise violating any provisions of sections 290.500 to 290.530.

Each day of violation constitutes a separate offense.

290.527. Any employer who pays any employee less wages than the wages to which the employee is entitled under or by virtue of sections 290.500 to 290.530 shall be liable to the employee affected for the full amount of the wage rate and an additional amount equal to twice the unpaid wages as liquidated damages, less any amount actually paid to the employee by the employer and for costs and such reasonable attorney fees as may be allowed by the court or jury. Any employer who fails to provide meal periods and rest breaks to an employee in accordance with sections 290.500 to 290.530 shall be liable to the employee for any additional wages for time worked if applicable, and in addition for the additional or extra pay due employees for failing to provide meal periods or rest breaks under section 290.518 and 290.519, respectively, and for costs and such reasonable attorney fees as may be allowed by the

court or jury. The employee may bring any legal action necessary to collect the claim. Any agreement between the employee and the employer to work for less than the wage rate or to relinquish requirements associated with meal periods and rest breaks shall be no defense to the action. All actions for the collection of any deficiency in wages or failure to provide meal periods or rest breaks in accordance with sections 290.500 to 290.530 shall be commenced within three years of the accrual of the cause of action.

290.530. Nothing in sections 290.500 to 290.530 shall be deemed to interfere with, impede, or in any way diminish the right of employees to bargain collectively with their employers through representatives of their own choosing in order to establish wages, meal periods, rest breaks, or other conditions of work in excess of the applicable minimum under the provisions of sections 290.500 to 290.530.

290.600. As used in sections 290.600 through 290.642:

(1) "Department", Department of Labor and Industrial Relations.

(2) "Director", Director of the Department of Labor and Industrial Relations.

(3) "Domestic violence", as such term is defined in section 455.010.

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board,

commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) "Sexual assault", as such term is defined in section 455.010.

(13) "Stalking", as such term is defined in section 455.010.

(14) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking; (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600

through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. Any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-054)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 18, 2023)

Date

February 7, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Nina DiSalvo, Esq., Policy Director, Towards Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated they don't foresee a fiscal impact with this petition.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated this initiative petition will not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their office.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this initiative petition.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact, as they believe they are excluded in the definition of employer and their employees are also excluded.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their department because it exempts public employers, which include state commissions and agencies, and also exempts the state from the definition of employer.

Officials from the **Department of Transportation** indicated there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$13.75 per hour. This rate would increase by \$1.25 per hour by January 1, 2026 to \$15.00 per hour.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 3,495.00
2026	\$ 9,215.00

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions

certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated this petition does not apply to counties as employers.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county.

Officials from **St. Louis County** indicated this initiative petition should have no impact on their county.

Officials from the **City of Kansas City** indicated this proposed amendment will have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the initiative increases to the minimum wage and benefits is currently lower than their actual experience so the petition should have no near term impact on cost.

Officials from the **Missouri Lottery** indicated no impact.

Officials from the **State Tax Commission** indicated there is no fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their Commission. The proposed sections 290.502.4, 290.518.5, and 290.519.4 RSMo specifically exclude the state and its agencies. The definition of the term "employer" in the proposed section 290.600(8) RSMo specifically excludes the state and its agencies as well. Therefore, the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.502.4, the Kansas City, MO Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated this will have no impact on their Board of Elections.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated no fiscal impact.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided the following information:

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January 23, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposals Related to Chapter 290, RSMo, Petition 2024-050 through 2024-061

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany the paid sick leave provisions of petitions 24-050 through 2024-061 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

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Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

⁹ *Fact Sheet: The Families First Coronavirus Response Act (FFCRA) & the Coronavirus Aid, Relief and Economic Security (CARES) Act*, A Better Balance (Jan. 8, 2021), <https://www.abetterbalance.org/resources/federal-coronavirus-proposal-the-families-first-coronavirus-response-act-h-r-6201/>.

¹⁰ Stefan Pichler et al., *COVID-19 Emergency Sick Leave Has Helped Flatten the Curve in the United States*, 39 Health Affairs 2197, 2202 (2020), available at <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>.

¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

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¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

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²³ Human Impact Partners & S.F. Dep't of Pub. Health, *A Health Impact Assessment of the Healthy Families Act of 2009* (June 11, 2009), http://go.nationalpartnership.org/site/DocServer/WF_PSD_HFA_HealthImpactAssessment_HIA_090611.pdf?docID=5101.

²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

²⁷ Steven Sumner et al., *Factors Associated with Food Workers Working While Experiencing Vomiting or Diarrhea*, 74 J. Food Protection 215 (2011), available at http://www.cdc.gov/nceh/ehs/ehsnet/Docs/JFP_ill_food_workers.pdf.

²⁸ Tom W. Smith & Jibum Kim, *Paid Sick Days: Attitudes and Experiences*, Nat'l Opinion Res. Ctr. at U. of Chi. (June 2010), <https://www.issuelab.org/resource/paid-sick-days-attitudes-and-experiences.html>.

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³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

³⁹ Appelbaum & Milkman, *supra* note 34, at 17.

⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was submitting a fiscal note regarding petitions 24-050 to 24-061. As the policy is identical to previously submitted versions, it is identical to previous material submitted regarding the minimum wage for petitions 24-016 to 24-019. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

Nina DiSalvo, Esq., Policy Director, Towards Justice provided the following information:

January 27, 2023

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RE: Missouri IP 24-050 through 24-061

VIA EMAIL: fiscalnote@auditor.mo.gov

To Whom it May Concern:

Towards Justice is a non-profit law firm that represents workers in litigation and other advocacy in our home state of Colorado and across the country. We write pursuant to RsMO 116.175 to assist your office in analyzing the fiscal impact of a ballot measure regarding compensated breaks for Missouri employees that has been proposed to be submitted to the voters of the state of Missouri at the November 5, 2024 election. To that end, we offer an examination of the items in subsection (2) of section 23.140 of the governmental accounting standards board.

This analysis describes only the estimated fiscal impact of proposed meal and rest break requirements in Missouri IP 24-050 through 24-061. We understand that others will provide a fiscal analysis of the proposed increase in the Missouri minimum wage.

(1) The cost of the proposed legislation to the state for the next two fiscal years:

The proposed employee breaktime law requires private employers to provide 10-minute paid rest breaks and 30-minute, duty-free, uncompensated meal breaks to employees. The legislation does not impose these requirements on public employers, "including the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state." Therefore, any fiscal impact to the state will depend on the impact these new requirements have on the private sector.

We predict that state-mandated meal and rest break requirements will increase employee health and happiness in Missouri's private sector. Employee happiness positively impacts productivity

and task performance,¹ and improves employee energy levels at work over time.² Happiness is also associated with lower turnover rates, which reduce employer costs. In a study of turnover rates among nurses, researchers found that “implementing regularly scheduled rest breaks can be considered as an effective intervention for improving retention of nurses even in a situation of understaffing.”³

Breaks also offer mental and physical health benefits.⁴ Workers with fewer breaks suffer from poorer mental and physical health, including an “increased risk of reporting mental fatigue, physical fatigue, poor psychological detachment, inadequate rest, and poor sleep.”⁵ Meanwhile, rest breaks prevent workplace injuries, thereby reducing the cost on the state’s workers compensation fund.⁶ Increased overall health combined with the reduction in workplace injuries, reduce employee need to use sick or vacation time to deal with health issues.⁷

The increased productivity, lower turnover, better health, and reduced workplace injury rates associated with employee breaks would not only counteract any productivity loss associated with reduced on-duty time but would likely lead to an overall increase in private sector productivity in Missouri. Such a productivity increase would positively benefit the state through increased tax revenues.

(2) Whether or not the proposed legislation will establish a program or agency that will duplicate an existing program or agency:

This law will not create a program or agency. Instead, the legislation creates new rights for private sector employees in the state. The law would allow employees to use the existing court system to enforce these new rights. The law does not require the Missouri Department of Labor to participate in implementation or enforcement and would have no impact on the agency’s budget.

¹ Clement Bellet, Jan-Emmanuel De Neve, and George Ward, *Does Employee Happiness have an Impact on Productivity?* Saïd Business School WP 2019-13, Oct. 2019, <https://ssrn.com/abstract=3470734> or <http://dx.doi.org/10.2139/ssrn.3470734>; Johannes Wendsche, Andrea Lohmann-Haislah, and Jürgen Wegge, *The Impact of Supplementary Short Rest Breaks on Task Performance – A Meta-Analysis*, 2016, Sozial Politik, https://www.sozialpolitik.ch/fileadmin/user_upload/2_2016_Wendsche_final.pdf; Robert A. Henning, Pierre Jacques, Goerge V. Kissel, Anne B. Sullivan, and Sabina M. Alteras-Webb, *Frequent Short Rest Breaks from Computer Work: Effects on Productivity and Well-Being at Two Field sites*, *Ergonomics*, 1997, 40:1, 78-91, DOI: 10.1080/001401397188396, <https://pubmed.ncbi.nlm.nih.gov/8995049/>.

² Marjaana Sianoja, Ulla Kinnunen, Jessica de Bloom, Kalevi Korpela and Sabine Geurts, *Recovery During Lunch Breaks: Testing Long-Term Relations with Energy Levels at Work*, *Scandinavian Journal of Work and Organizational Psychology*, 2016, 1(1): 7, 1–12, DOI: <http://dx.doi.org/10.16993/sjwop.13>.

³ Johannes Wendsche, Winfried Hacker, and Jürgen Wegge, *Understaffing and Registered Nurses’ Turnover: The Moderating Role of Regular Rest Breaks*, 2017, *German Journal of Human Resource Management*, 31(3), 238–259, <https://doi.org/10.1177/2397002216683880>.

⁴ Alan Kohll, *New Study Shows Correlation Between Employee Engagement And The Long-Lost Lunch Break*, *Forbes*, May 29, 2018, <https://www.forbes.com/sites/alankohll/2018/05/29/new-study-shows-correlation-between-employee-engagement-and-the-long-lost-lunch-break/?sh=6c0223064efc>.

⁵ Mark Copley, Linda Weidenstedt, Birgit Leick, and Stefan Sütterlin, *Working from Home during Lockdown: The Association between Rest Breaks and Well-Being*, *Ergonomics*, 2022, DOI: 10.1080/00140139.2022.2095038, <https://doi.org/10.1080/00140139.2022.2095038>.

⁶ Dorothee Fischer, David A. Lombardi, Simon Folkard, Joanna Willetts, and David C. Christiani, *Updating the “Risk Index”: A Systematic Review and Meta-Analysis of Occupational Injuries and Work Schedule Characteristics*, *Chronobiology International*, 2017, 34:10, 1423-1438, DOI: 10.1080/07420528.2017.1367305, <https://pubmed.ncbi.nlm.nih.gov/29064297/>; see also Philip Tucker, *The Impact of Rest Breaks Upon Accident Risk, Fatigue and Performance: A Review*, *Work & Stress*, 2003, 17:2, 123-137, DOI: 10.1080/0267837031000155949, <https://www.tandfonline.com/doi/abs/10.1080/0267837031000155949>.

⁷ Centers for Disease Control and Prevention, *Workplace Health Promotion, Increase Productivity*, <https://www.cdc.gov/workplacehealthpromotion/model/control-costs/benefits/productivity.html#print>; see also Walter F. Stewart, Judith A. Ricchi, Isbeth Chee, and David Morganstein, *Lost Productive Work Time Costs From Health Conditions in the United States: Results from the American Productivity Audit*, *J Occup Environ Med*, Dec. 2003, <https://pubmed.ncbi.nlm.nih.gov/14665809/>.

(3) Whether or not there is a federal mandate for the program or agency:

There is no federal mandate requiring meal or rest break protections for Missouri workers. Instead, the federal government allows employers to design their own break-time policies, while requiring that breaks shorter than 20 minutes be paid and allowing duty-free breaks longer than 30 minutes to be unpaid.⁸ Given this relatively weak federal protection, at least 20 states have adopted their own meal break protections for employees.⁹ Absent a federal mandate, Missouri voters could choose to do the same.

(4) Whether or not the proposed program or agency will have significant direct fiscal impact upon any political subdivision of the state:

The proposed employee meal and rest break protections do not apply to public employers and therefore will not have a significant direct fiscal impact on any political subdivision of the state. It is possible that the reduced risk of on-the-job injuries correlated with regular rest breaks will reduce demand on Missouri's worker compensation program. It is also possible that meal and rest break requirements will increase overall private sector productivity in Missouri, and thereby increase state tax revenue.

(5) Whether or not any new physical facilities will be required:

No new physical facilities will be required.

(6) Whether or not the proposed legislation will have an economic impact on small businesses:

The proposed meal and rest break protections would require Missouri businesses with fewer than 50 employees to provide employee meal and rest breaks. We anticipate that the productivity benefits associated with those breaks will offset the reduction in on-duty time. Overall, we anticipate that the meal and rest break requirements proposed would positively impact both employees and small businesses in Missouri.

We hope this summary proves useful as you assess the fiscal impact of the proposed meal and rest break measure. If we can be of further assistance, please do not hesitate to contact our office.

Sincerely,
Towards Justice

⁸ U.S. Department of Labor, *Breaks and Meal Periods*, <https://www.dol.gov/general/topic/workhours/breaks>; see also 29 CFR 785.18 (Rest Periods); 29 CFR 785.19 (Meal Periods).

⁹ U.S. Department of Labor, Wage and Hour Division, *Minimum Length of Meal Period Required under State Law for Adult Employees in Private Sector*, Jan. 1, 2023, <https://www.dol.gov/agencies/whd/state/meal-breaks#>.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

January 18, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 18 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 4 (2024-053)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 18, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____
Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Signature of Notary	Address of Notary	Notary Public (Seal)
Printed Name of Affiant	City, State and Zip Code of Affiant			My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending sections 290.502, 290.522, 290.525, 290.527, and 290.530 of the Revised Statutes of Missouri and enacting seventeen new sections to be known as sections 290.518, 290.519, 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [\$8.60] \$13.75 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased [each year] by [\$.85] \$1.25 per hour, [effective January 1 of each of the next four years, until it reaches \$12.00 per hour] to \$15.00 per hour, effective January 1, [2023] 2026. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2027, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.518. 1. Every employer shall provide employees who are to work for seven and one-half hours from the beginning of their shift a meal period of at least 30 continuous minutes. An employee who works in excess of seven and one-half hours shall be entitled to an additional 30 minute meal period for every additional seven and one-half hours worked. An employer shall schedule a meal period no earlier than two hours and no later than five hours from the beginning of a shift, and for employees entitled to a second meal period no earlier than two hours and no later than five hours from the beginning of the second period of seven and one-half hours worked.

2. Meal periods may be unpaid and not counted as time worked provided the employee is completely relieved of all duty. Meal periods shall be time worked and paid at the employee's regular rate of compensation when an employee is required to perform any duties, whether active or inactive, while taking the meal period. An employer is permitted to make the meal period on duty only when the nature of work or other circumstances exist that make it

infeasible for an employee to take a duty-free meal period. In such case, the employee shall be allowed to eat while on duty and shall be paid for the full 30 minutes on-duty meal period and further shall only be required to perform the limited duties during the meal period that make a fully duty-free meal period infeasible. It is the employer's burden to establish that a duty-free meal period is "infeasible" by demonstrating that the failure to provide a duty-free meal period was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free meal period would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a meal period in accordance with this section, the employer shall pay the employee an additional one hour of pay at the employee's regular rate of compensation for each shift that the meal period is not provided. There is a rebuttable presumption that an employee who did not take a meal period was not permitted to do so and that the employer failed to provide that employee a meal period in accordance with this section.

4. If an employer requires an employee to eat on premises, it shall provide a suitable place for that purpose, with adequate seating and tables.

5. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

6. The provisions of this section shall become effective January 1, 2025.

290.519. 1. Every employer shall provide employees a rest break of at least 10 continuous minutes for each four hours worked or major fraction thereof, to be taken as near as practical to the midpoint of each work period of four hours worked or major fraction thereof. An employer need not provide a rest break to employees whose total daily work time is less than three and one-half hours.

2. An employer shall not require the employee to perform any work during a rest break. Employees shall receive rest breaks without deduction from wages and time on rest breaks shall be considered time worked. Rest breaks are in addition to any meal period to which an employee is entitled. An employer need not provide a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof only when the nature of work or other circumstances exist that make it infeasible. In such case, the employee shall be paid an extra 10 minutes of compensation at the employee's regular rate of compensation without being required to perform additional work for that time, for each rest break of 10 continuous minutes that an employee does not receive, and further the employee shall be permitted to use restroom facilities without unreasonable restriction. It is the employer's burden to establish that providing a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof is "infeasible" by demonstrating that the failure to provide such a rest break was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free rest break would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a rest break in accordance with the applicable provisions of this Section, the employer shall pay the employee an additional 30 minutes of pay at the employee's regular rate of compensation for each work period that a rest break is not provided. There is a rebuttable presumption that an employee who did not take a rest break was not permitted to do so and that the employer failed to provide that employee a rest break in accordance with this section.

4. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

5. The provisions of this section shall become effective January 1, 2025.

290.522. Every employer subject to any provision of sections 290.500 to 290.530 or of any regulations issued under sections 290.500 to 290.530 shall keep a summary of sections 290.500 to 290.530, approved by the director, and copies of any applicable wage, meal period, and rest break regulations issued under sections 290.500 to 290.530, or a summary of the wage, meal period, and rest break regulations posted in a conspicuous and accessible place in or about the premises wherein any person subject thereto is employed. Employers shall be furnished copies of the summaries and regulations by the state on request without charge, except that the state may, but is not required to, furnish to employers copies of summaries and regulations relating to the provisions on meal periods and rest breaks without charge but regardless an employer shall keep a summary of those provisions posted consistent with this section.

290.525. Any employer who hinders the director in the performance of his duties in the enforcement of sections 290.500 to 290.530 by any of the following acts is guilty of a class C misdemeanor:

- (1) Refusing to admit the director to any place of employment;
- (2) Failing to make, keep and preserve any records as required under the provisions of sections 290.500 to 290.530;
- (3) Falsifying any record required under the provisions of sections 290.500 to 290.530;
- (4) Refusing to make any record required under the provisions of sections 290.500 to 290.530 accessible to the director;
- (5) Refusing to furnish a sworn statement of any record required under the provisions of sections 290.500 to 290.530 or any other information required for the proper enforcement of sections 290.500 to 290.530 to the director upon demand;
- (6) Failing to post a summary of sections 290.500 to 290.530 or a copy of any applicable regulation as required;
- (7) Discharging or in any other manner discriminating against any employee who has notified the director that he has not been paid wages in accordance with the provisions of sections 290.500 to 290.530, or who has caused to be instituted any proceeding under or related to sections 290.500 to 290.530, or who has testified or is about to testify in any such proceeding;
- (8) Paying or agreeing to pay wages at a rate less than the rate applicable under sections 290.500 to 290.530. Payment at such rate for any week or portion of a week constitutes a separate offense as to each employee;
- (9) Failing to provide meal periods and rest breaks in accordance with sections 290.500 to 290.530;
- ~~[(9)]~~ (10) Otherwise violating any provisions of sections 290.500 to 290.530.

Each day of violation constitutes a separate offense.

290.527. Any employer who pays any employee less wages than the wages to which the employee is entitled under or by virtue of sections 290.500 to 290.530 shall be liable to the employee affected for the full amount of the wage rate and an additional amount equal to twice the unpaid wages as liquidated damages, less any amount actually paid to the employee by the employer and for costs and such reasonable attorney fees as may be allowed by the court or jury. Any employer who fails to provide meal periods and rest breaks to an employee in accordance with sections 290.500 to 290.530 shall be liable to the employee for any additional wages for time worked if applicable, and in addition for the additional or extra pay due employees for failing to provide meal periods or rest breaks under section 290.518 and 290.519, respectively, and for costs and such reasonable attorney fees as may be allowed by the

court or jury. The employee may bring any legal action necessary to collect the claim. Any agreement between the employee and the employer to work for less than the wage rate or to relinquish requirements associated with meal periods and rest breaks shall be no defense to the action. All actions for the collection of any deficiency in wages or failure to provide meal periods or rest breaks in accordance with sections 290.500 to 290.530 shall be commenced within three years of the accrual of the cause of action.

290.530. Nothing in sections 290.500 to 290.530 shall be deemed to interfere with, impede, or in any way diminish the right of employees to bargain collectively with their employers through representatives of their own choosing in order to establish wages, meal periods, rest breaks, or other conditions of work in excess of the applicable minimum under the provisions of sections 290.500 to 290.530.

290.600. As used in sections 290.600 through 290.642:

- (1) "Construction", includes construction, reconstruction, improvement, enlargement, alteration, painting and decorating, or major repair, and does not include maintenance.
- (2) "Construction industry", includes any employer whose employees conduct or perform construction as a principal component of the employer's business or enterprise.
- (3) "Department", Department of Labor and Industrial Relations.
- (4) "Director", Director of the Department of Labor and Industrial Relations.
- (5) "Domestic violence", as such term is defined in section 455.010.
- (6) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.
- (7) "Employee", any individual employed in this state by an employer, but does not include:
 - (A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;
 - (B) Any individual standing in loco parentis to foster children in their care;
 - (C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;
 - (D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;
 - (E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;
 - (F) Any individual employed on a casual basis to provide baby-sitting services;
 - (G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;
 - (H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;
 - (I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);
 - (J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;
 - (K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550;
 - (L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8); or

(M) Any individual employed in the construction industry and engaged in construction work, of fixed works, buildings, or structures or heavy and highway construction work, on the site of a building or construction job.

(8) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(9) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(10) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(11) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(12) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(13) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(14) "Sexual assault", as such term is defined in section 455.010.

(15) "Stalking", as such term is defined in section 455.010.

(16) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is

rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick

time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (I) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (I) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to

take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the

distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as

may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. Any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-053)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 18, 2023)

Date

February 7, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Nina DiSalvo, Esq., Policy Director, Towards Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated they do not foresee a fiscal impact with this petition.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated this initiative petition will not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this initiative petition.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact, as they believe they are excluded in the definition of employer and their employees are also excluded.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their department because it exempts public employers, which include state commissions and agencies, and also exempts the state from the definition of employer.

Officials from the **Department of Transportation** indicated there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$13.75 per hour. This rate would increase by \$1.25 per hour by January 1, 2026 to \$15.00 per hour.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 3,495.00
2026	\$ 9,215.00

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions

certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated this petition does not apply to counties as employers.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from the County of Greene for initiative petition, 24-053 proposing to amend Chapter 290, RSMo, Version 4.

Officials from **St. Louis County** indicated this initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this proposed amendment will have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the initiative increases to the minimum wage and benefits is currently lower than their actual experience so the petition should have no near term impact on cost.

Officials from the **Missouri Lottery** indicated no impact.

Officials from the **State Tax Commission** indicated there is no fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their Commission. The proposed sections 290.502.4, 290.518.5, and 290.519.4 RSMo specifically exclude the state and its agencies. The definition of the term "employer" in the proposed section 290.600(8) RSMo specifically excludes the state and its agencies as well. Therefore, the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.502.4, the Kansas City, MO Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated this will have no impact on their Board of Elections.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition will have little to no material effect on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated no fiscal impact.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

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^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

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January 23, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposals Related to Chapter 290, RSMo, Petition 2024-050 through 2024-061

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany the paid sick leave provisions of petitions 24-050 through 2024-061 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

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Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

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⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

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¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

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²² Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, Nat'l Bureau of Econ. Res. (Aug. 2016), <https://www.nber.org/papers/w22530.pdf>.

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²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

²⁷ Steven Sumner et al., *Factors Associated with Food Workers Working While Experiencing Vomiting or Diarrhea*, 74 J. Food Protection 215 (2011), available at http://www.cdc.gov/nceh/ehs/ehsnet/Docs/JFP_ill_food_workers.pdf.

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²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

³⁹ Appelbaum & Milkman, *supra* note 34, at 17.

⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was submitting a fiscal note regarding petitions 24-050 to 24-061. As the policy is identical to previously submitted versions, it is identical to previous material submitted regarding the minimum wage for petitions 24-016 to 24-019. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

Nina DiSalvo, Esq., Policy Director, Towards Justice provided the following information:

January 27, 2023

State Auditor's Office
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102

RE: Missouri IP 24-050 through 24-061

VIA EMAIL: fiscalnote@auditor.mo.gov

To Whom it May Concern:

Towards Justice is a non-profit law firm that represents workers in litigation and other advocacy in our home state of Colorado and across the country. We write pursuant to RsMO 116.175 to assist your office in analyzing the fiscal impact of a ballot measure regarding compensated breaks for Missouri employees that has been proposed to be submitted to the voters of the state of Missouri at the November 5, 2024 election. To that end, we offer an examination of the items in subsection (2) of section 23.140 of the governmental accounting standards board.

This analysis describes only the estimated fiscal impact of proposed meal and rest break requirements in Missouri IP 24-050 through 24-061. We understand that others will provide a fiscal analysis of the proposed increase in the Missouri minimum wage.

(1) The cost of the proposed legislation to the state for the next two fiscal years:

The proposed employee breaktime law requires private employers to provide 10-minute paid rest breaks and 30-minute, duty-free, uncompensated meal breaks to employees. The legislation does not impose these requirements on public employers, "including the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state." Therefore, any fiscal impact to the state will depend on the impact these new requirements have on the private sector.

We predict that state-mandated meal and rest break requirements will increase employee health and happiness in Missouri's private sector. Employee happiness positively impacts productivity

and task performance,¹ and improves employee energy levels at work over time.² Happiness is also associated with lower turnover rates, which reduce employer costs. In a study of turnover rates among nurses, researchers found that “implementing regularly scheduled rest breaks can be considered as an effective intervention for improving retention of nurses even in a situation of understaffing.”³

Breaks also offer mental and physical health benefits.⁴ Workers with fewer breaks suffer from poorer mental and physical health, including an “increased risk of reporting mental fatigue, physical fatigue, poor psychological detachment, inadequate rest, and poor sleep.”⁵ Meanwhile, rest breaks prevent workplace injuries, thereby reducing the cost on the state’s workers compensation fund.⁶ Increased overall health combined with the reduction in workplace injuries, reduce employee need to use sick or vacation time to deal with health issues.⁷

The increased productivity, lower turnover, better health, and reduced workplace injury rates associated with employee breaks would not only counteract any productivity loss associated with reduced on-duty time but would likely lead to an overall increase in private sector productivity in Missouri. Such a productivity increase would positively benefit the state through increased tax revenues.

(2) Whether or not the proposed legislation will establish a program or agency that will duplicate an existing program or agency:

This law will not create a program or agency. Instead, the legislation creates new rights for private sector employees in the state. The law would allow employees to use the existing court system to enforce these new rights. The law does not require the Missouri Department of Labor to participate in implementation or enforcement and would have no impact on the agency’s budget.

¹ Clement Bellet, Jan-Emmanuel De Neve, and George Ward, *Does Employee Happiness have an Impact on Productivity?* Saïd Business School WP 2019-13, Oct. 2019, <https://ssrn.com/abstract=3470734> or <http://dx.doi.org/10.2139/ssrn.3470734>; Johannes Wendsche, Andrea Lohmann-Haislah, and Jürgen Wegge, *The Impact of Supplementary Short Rest Breaks on Task Performance – A Meta-Analysis*, 2016, Sozial Politik, https://www.sozialpolitik.ch/fileadmin/user_upload/2_2016_Wendsche_final.pdf; Robert A. Henning, Pierre Jacques, Goerge V. Kissel, Anne B. Sullivan, and Sabina M. Alteras-Webb, *Frequent Short Rest Breaks from Computer Work: Effects on Productivity and Well-Being at Two Field sites*, *Ergonomics*, 1997, 40:1, 78-91, DOI: 10.1080/001401397188396, <https://pubmed.ncbi.nlm.nih.gov/8995049/>.

² Marjaana Sianoja, Ulla Kinnunen, Jessica de Bloom, Kalevi Korpela and Sabine Geurts, *Recovery During Lunch Breaks: Testing Long-Term Relations with Energy Levels at Work*, *Scandinavian Journal of Work and Organizational Psychology*, 2016, 1(1): 7, 1–12, DOI: <http://dx.doi.org/10.16993/sjowop.13>.

³ Johannes Wendsche, Winfried Hacker, and Jürgen Wegge, *Understaffing and Registered Nurses’ Turnover: The Moderating Role of Regular Rest Breaks*, 2017, *German Journal of Human Resource Management*, 31(3), 238–259, <https://doi.org/10.1177/2397002216683880>.

⁴ Alan Kohll, *New Study Shows Correlation Between Employee Engagement And The Long-Lost Lunch Break*, *Forbes*, May 29, 2018, <https://www.forbes.com/sites/alankohll/2018/05/29/new-study-shows-correlation-between-employee-engagement-and-the-long-lost-lunch-break/?sh=6c0223064efc>.

⁵ Mark Copley, Linda Weidenstedt, Birgit Leick, and Stefan Sütterlin, *Working from Home during Lockdown: The Association between Rest Breaks and Well-Being*, *Ergonomics*, 2022, DOI: 10.1080/00140139.2022.2095038, <https://doi.org/10.1080/00140139.2022.2095038>.

⁶ Dorothee Fischer, David A. Lombardi, Simon Folkard, Joanna Willetts, and David C. Christiani, *Updating the “Risk Index”: A Systematic Review and Meta-Analysis of Occupational Injuries and Work Schedule Characteristics*, *Chronobiology International*, 2017, 34:10, 1423-1438, DOI: 10.1080/07420528.2017.1367305, <https://pubmed.ncbi.nlm.nih.gov/29064297/>; see also Philip Tucker, *The Impact of Rest Breaks Upon Accident Risk, Fatigue and Performance: A Review*, *Work & Stress*, 2003, 17:2, 123-137, DOI: 10.1080/0267837031000155949, <https://www.tandfonline.com/doi/abs/10.1080/0267837031000155949>.

⁷ Centers for Disease Control and Prevention, *Workplace Health Promotion, Increase Productivity*, <https://www.cdc.gov/workplacehealthpromotion/model/control-costs/benefits/productivity.html#print>; see also Walter F. Stewart, Judith A. Ricchi, Isbeth Chee, and David Morganstein, *Lost Productive Work Time Costs From Health Conditions in the United States: Results from the American Productivity Audit*, *J Occup Environ Med*, Dec. 2003, <https://pubmed.ncbi.nlm.nih.gov/14665809/>.

(3) Whether or not there is a federal mandate for the program or agency:

There is no federal mandate requiring meal or rest break protections for Missouri workers. Instead, the federal government allows employers to design their own break-time policies, while requiring that breaks shorter than 20 minutes be paid and allowing duty-free breaks longer than 30 minutes to be unpaid.⁸ Given this relatively weak federal protection, at least 20 states have adopted their own meal break protections for employees.⁹ Absent a federal mandate, Missouri voters could choose to do the same.

(4) Whether or not the proposed program or agency will have significant direct fiscal impact upon any political subdivision of the state:

The proposed employee meal and rest break protections do not apply to public employers and therefore will not have a significant direct fiscal impact on any political subdivision of the state. It is possible that the reduced risk of on-the-job injuries correlated with regular rest breaks will reduce demand on Missouri's worker compensation program. It is also possible that meal and rest break requirements will increase overall private sector productivity in Missouri, and thereby increase state tax revenue.

(5) Whether or not any new physical facilities will be required:

No new physical facilities will be required.

(6) Whether or not the proposed legislation will have an economic impact on small businesses:

The proposed meal and rest break protections would require Missouri businesses with fewer than 50 employees to provide employee meal and rest breaks. We anticipate that the productivity benefits associated with those breaks will offset the reduction in on-duty time. Overall, we anticipate that the meal and rest break requirements proposed would positively impact both employees and small businesses in Missouri.

We hope this summary proves useful as you assess the fiscal impact of the proposed meal and rest break measure. If we can be of further assistance, please do not hesitate to contact our office.

Sincerely,
Towards Justice

⁸ U.S. Department of Labor, *Breaks and Meal Periods*, <https://www.dol.gov/general/topic/workhours/breaks>; see also 29 CFR 785.18 (Rest Periods); 29 CFR 785.19 (Meal Periods).

⁹ U.S. Department of Labor, Wage and Hour Division, *Minimum Length of Meal Period Required under State Law for Adult Employees in Private Sector*, Jan. 1, 2023, <https://www.dol.gov/agencies/whd/state/meal-breaks#>.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT

SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 18, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 18 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 3 (2024-052)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 18, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Signature of Notary	Address of Notary	Notary Public (Seal) My commission expires _____
Printed Name of Affiant	City, State and Zip Code of Affiant			

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending sections 290.502, 290.522, 290.525, 290.527, and 290.530 of the Revised Statutes of Missouri and enacting seventeen new sections to be known as sections 290.518, 290.519, 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [~~\$8.60~~] \$14.00 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [~~\$.85~~] \$1.00 per hour, effective January 1 of each of the next [four] two years, until it reaches [~~\$12.00~~] \$16.00 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.518. 1. Every employer shall provide employees who are to work for seven and one-half hours from the beginning of their shift a meal period of at least 30 continuous minutes. An employee who works in excess of seven and one-half hours shall be entitled to an additional 30 minute meal period for every additional seven and one-half hours worked. An employer shall schedule a meal period no earlier than two hours and no later than five hours from the beginning of a shift, and for employees entitled to a second meal period no earlier than two hours and no later than five hours from the beginning of the second period of seven and one-half hours worked.

2. Meal periods may be unpaid and not counted as time worked provided the employee is completely relieved of all duty. Meal periods shall be time worked and paid at the employee's regular rate of compensation when an employee is required to perform any duties, whether active or inactive, while taking the meal period. An employer is permitted to make the meal period on duty only when the nature of work or other circumstances exist that make it

infeasible for an employee to take a duty-free meal period. In such case, the employee shall be allowed to eat while on duty and shall be paid for the full 30 minutes on-duty meal period and further shall only be required to perform the limited duties during the meal period that make a fully duty-free meal period infeasible. It is the employer's burden to establish that a duty-free meal period is "infeasible" by demonstrating that the failure to provide a duty-free meal period was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free meal period would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a meal period in accordance with this section, the employer shall pay the employee an additional one hour of pay at the employee's regular rate of compensation for each shift that the meal period is not provided. There is a rebuttable presumption that an employee who did not take a meal period was not permitted to do so and that the employer failed to provide that employee a meal period in accordance with this section.

4. If an employer requires an employee to eat on premises, it shall provide a suitable place for that purpose, with adequate seating and tables.

5. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

6. The provisions of this section shall become effective January 1, 2025.

290.519. 1. Every employer shall provide employees a rest break of at least 10 continuous minutes for each four hours worked or major fraction thereof, to be taken as near as practical to the midpoint of each work period of four hours worked or major fraction thereof. An employer need not provide a rest break to employees whose total daily work time is less than three and one-half hours.

2. An employer shall not require the employee to perform any work during a rest break. Employees shall receive rest breaks without deduction from wages and time on rest breaks shall be considered time worked. Rest breaks are in addition to any meal period to which an employee is entitled. An employer need not provide a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof only when the nature of work or other circumstances exist that make it infeasible. In such case, the employee shall be paid an extra 10 minutes of compensation at the employee's regular rate of compensation without being required to perform additional work for that time, for each rest break of 10 continuous minutes that an employee does not receive, and further the employee shall be permitted to use restroom facilities without unreasonable restriction. It is the employer's burden to establish that providing a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof is "infeasible" by demonstrating that the failure to provide such a rest break was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free rest break would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a rest break in accordance with the applicable provisions of this Section, the employer shall pay the employee an additional 30 minutes of pay at the employee's regular rate of compensation for each work period that a rest break is not provided. There is a rebuttable presumption that an employee who did not take a rest break was not permitted to do so and that the employer failed to provide that employee a rest break in accordance with this section.

4. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

5. The provisions of this section shall become effective January 1, 2025.

290.522. Every employer subject to any provision of sections 290.500 to 290.530 or of any regulations issued under sections 290.500 to 290.530 shall keep a summary of sections 290.500 to 290.530, approved by the director, and copies of any applicable wage, meal period, and rest break regulations issued under sections 290.500 to 290.530, or a summary of the wage, meal period, and rest break regulations posted in a conspicuous and accessible place in or about the premises wherein any person subject thereto is employed. Employers shall be furnished copies of the summaries and regulations by the state on request without charge, except that the state may, but is not required to, furnish to employers copies of summaries and regulations relating to the provisions on meal periods and rest breaks without charge but regardless an employer shall keep a summary of those provisions posted consistent with this section.

290.525. Any employer who hinders the director in the performance of his duties in the enforcement of sections 290.500 to 290.530 by any of the following acts is guilty of a class C misdemeanor:

- (1) Refusing to admit the director to any place of employment;
- (2) Failing to make, keep and preserve any records as required under the provisions of sections 290.500 to 290.530;
- (3) Falsifying any record required under the provisions of sections 290.500 to 290.530;
- (4) Refusing to make any record required under the provisions of sections 290.500 to 290.530 accessible to the director;
- (5) Refusing to furnish a sworn statement of any record required under the provisions of sections 290.500 to 290.530 or any other information required for the proper enforcement of sections 290.500 to 290.530 to the director upon demand;
- (6) Failing to post a summary of sections 290.500 to 290.530 or a copy of any applicable regulation as required;
- (7) Discharging or in any other manner discriminating against any employee who has notified the director that he has not been paid wages in accordance with the provisions of sections 290.500 to 290.530, or who has caused to be instituted any proceeding under or related to sections 290.500 to 290.530, or who has testified or is about to testify in any such proceeding;
- (8) Paying or agreeing to pay wages at a rate less than the rate applicable under sections 290.500 to 290.530. Payment at such rate for any week or portion of a week constitutes a separate offense as to each employee;
- (9) Failing to provide meal periods and rest breaks in accordance with sections 290.500 to 290.530;
- ~~[(9)]~~ (10) Otherwise violating any provisions of sections 290.500 to 290.530.

Each day of violation constitutes a separate offense.

290.527. Any employer who pays any employee less wages than the wages to which the employee is entitled under or by virtue of sections 290.500 to 290.530 shall be liable to the employee affected for the full amount of the wage rate and an additional amount equal to twice the unpaid wages as liquidated damages, less any amount actually paid to the employee by the employer and for costs and such reasonable attorney fees as may be allowed by the court or jury. Any employer who fails to provide meal periods and rest breaks to an employee in accordance with sections 290.500 to 290.530 shall be liable to the employee for any additional wages for time worked if applicable, and in addition for the additional or extra pay due employees for failing to provide meal periods or rest breaks under section 290.518 and 290.519, respectively, and for costs and such reasonable attorney fees as may be allowed by the

court or jury. The employee may bring any legal action necessary to collect the claim. Any agreement between the employee and the employer to work for less than the wage rate or to relinquish requirements associated with meal periods and rest breaks shall be no defense to the action. All actions for the collection of any deficiency in wages or failure to provide meal periods or rest breaks in accordance with sections 290.500 to 290.530 shall be commenced within three years of the accrual of the cause of action.

290.530. Nothing in sections 290.500 to 290.530 shall be deemed to interfere with, impede, or in any way diminish the right of employees to bargain collectively with their employers through representatives of their own choosing in order to establish wages, meal periods, rest breaks, or other conditions of work in excess of the applicable minimum under the provisions of sections 290.500 to 290.530.

290.600. As used in sections 290.600 through 290.642:

(1) "Department", Department of Labor and Industrial Relations.

(2) "Director", Director of the Department of Labor and Industrial Relations.

(3) "Domestic violence", as such term is defined in section 455.010.

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board,

commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) "Sexual assault", as such term is defined in section 455.010.

(13) "Stalking", as such term is defined in section 455.010.

(14) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking; (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600

through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. All or any portion of the earned paid sick time requirements of sections 290.600 through 290.642 shall not apply to employees covered by a bona fide collective bargaining agreement to the extent that such requirements are expressly waived in the collective bargaining agreement in clear and unambiguous terms.

4. With the exception noted in subsection 3, any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-052)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 18, 2023)

Date

February 7, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Nina DiSalvo, Esq., Policy Director, Towards Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated they don't foresee a fiscal impact for this petition.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated this initiative petition will not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this initiative petition.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage and employee leave does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact, as they believe they are excluded in the definition of employer and their employees are also excluded.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their department because it exempts public employers, which include state commissions and agencies.

Officials from the **Department of Transportation** indicated there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$14.00 per hour. This rate would increase by \$1.00 per hour each year of the next two years until reaching \$16.00 per hour by January 1, 2027.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 4,639.00
2026	\$ 9,215.00
2027	\$ 60,426.00

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered

fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated this petition does not apply to counties as employers.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county.

Officials from **St. Louis County** indicated this initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this proposed amendment will have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the initiative increases to the minimum wage and benefits is currently lower than their actual experience so the petition should have no near term impact on cost.

Officials from the **Missouri Lottery** indicated no fiscal impact to their agency.

Officials from the **State Tax Commission** indicated there is no fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their Commission. The proposed sections 290.502.4, 290.518.5, and 290.519.4 RSMo specifically exclude the state and its agencies. The definition of the term "employer" in the proposed section 290.600(8) RSMo specifically excludes the state and its agencies as well. Therefore, the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.502.4, the Kansas City, MO Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated this will have no impact on their Board of Elections.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition will have little to no material effect on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated no fiscal impact.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

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January 23, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposals Related to Chapter 290, RSMo, Petition 2024-050 through 2024-061

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany the paid sick leave provisions of petitions 24-050 through 2024-061 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

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- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

⁹ *Fact Sheet: The Families First Coronavirus Response Act (FFCRA) & the Coronavirus Aid, Relief and Economic Security (CARES) Act*, A Better Balance (Jan. 8, 2021), <https://www.abetterbalance.org/resources/federal-coronavirus-proposal-the-families-first-coronavirus-response-act-h-r-6201/>.

¹⁰ Stefan Pichler et al., *COVID-19 Emergency Sick Leave Has Helped Flatten the Curve in the United States*, 39 Health Affairs 2197, 2202 (2020), available at <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>.

¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

²¹ Supriya Kumar et al., *Policies to Reduce Influenza in the Workplace: Impact Assessments Using an Agent-Based Model*, 103 Am. J. Pub. Health 1406, 1408 (Aug. 2013), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3893051/pdf/AJPH.2013.301269.pdf>.

²² Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, Nat'l Bureau of Econ. Res. (Aug. 2016), <https://www.nber.org/papers/w22530.pdf>.

²³ Human Impact Partners & S.F. Dep't of Pub. Health, *A Health Impact Assessment of the Healthy Families Act of 2009* (June 11, 2009), http://go.nationalpartnership.org/site/DocServer/WF_PSD_HFA_HealthImpactAssessment_HIA_090611.pdf?docID=5101.

²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

²⁷ Steven Sumner et al., *Factors Associated with Food Workers Working While Experiencing Vomiting or Diarrhea*, 74 J. Food Protection 215 (2011), available at http://www.cdc.gov/nceh/ehs/ehsnet/Docs/JFP_ill_food_workers.pdf.

²⁸ Tom W. Smith & Jibum Kim, *Paid Sick Days: Attitudes and Experiences*, Nat'l Opinion Res. Ctr. at U. of Chi. (June 2010), <https://www.issuelab.org/resource/paid-sick-days-attitudes-and-experiences.html>.

²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

³⁹ Appelbaum & Milkman, *supra* note 34, at 17.

⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was submitting a fiscal note regarding petitions 24-050 to 24-061. As the policy is identical to previously submitted versions, it is identical to previous material submitted regarding the minimum wage for petitions 24-016 to 24-019. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

7

<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

Nina DiSalvo, Esq., Policy Director, Towards Justice provided the following information:

January 27, 2023

State Auditor's Office
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102

RE: Missouri IP 24-050 through 24-061

VIA EMAIL: fiscalnote@auditor.mo.gov

To Whom it May Concern:

Towards Justice is a non-profit law firm that represents workers in litigation and other advocacy in our home state of Colorado and across the country. We write pursuant to RsMO 116.175 to assist your office in analyzing the fiscal impact of a ballot measure regarding compensated breaks for Missouri employees that has been proposed to be submitted to the voters of the state of Missouri at the November 5, 2024 election. To that end, we offer an examination of the items in subsection (2) of section 23.140 of the governmental accounting standards board.

This analysis describes only the estimated fiscal impact of proposed meal and rest break requirements in Missouri IP 24-050 through 24-061. We understand that others will provide a fiscal analysis of the proposed increase in the Missouri minimum wage.

(1) The cost of the proposed legislation to the state for the next two fiscal years:

The proposed employee breaktime law requires private employers to provide 10-minute paid rest breaks and 30-minute, duty-free, uncompensated meal breaks to employees. The legislation does not impose these requirements on public employers, "including the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state." Therefore, any fiscal impact to the state will depend on the impact these new requirements have on the private sector.

We predict that state-mandated meal and rest break requirements will increase employee health and happiness in Missouri's private sector. Employee happiness positively impacts productivity

and task performance,¹ and improves employee energy levels at work over time.² Happiness is also associated with lower turnover rates, which reduce employer costs. In a study of turnover rates among nurses, researchers found that “implementing regularly scheduled rest breaks can be considered as an effective intervention for improving retention of nurses even in a situation of understaffing.”³

Breaks also offer mental and physical health benefits.⁴ Workers with fewer breaks suffer from poorer mental and physical health, including an “increased risk of reporting mental fatigue, physical fatigue, poor psychological detachment, inadequate rest, and poor sleep.”⁵ Meanwhile, rest breaks prevent workplace injuries, thereby reducing the cost on the state’s workers compensation fund.⁶ Increased overall health combined with the reduction in workplace injuries, reduce employee need to use sick or vacation time to deal with health issues.⁷

The increased productivity, lower turnover, better health, and reduced workplace injury rates associated with employee breaks would not only counteract any productivity loss associated with reduced on-duty time but would likely lead to an overall increase in private sector productivity in Missouri. Such a productivity increase would positively benefit the state through increased tax revenues.

(2) Whether or not the proposed legislation will establish a program or agency that will duplicate an existing program or agency:

This law will not create a program or agency. Instead, the legislation creates new rights for private sector employees in the state. The law would allow employees to use the existing court system to enforce these new rights. The law does not require the Missouri Department of Labor to participate in implementation or enforcement and would have no impact on the agency’s budget.

¹ Clement Bellet, Jan-Emmanuel De Neve, and George Ward, *Does Employee Happiness have an Impact on Productivity?* Saïd Business School WP 2019-13, Oct. 2019, <https://ssrn.com/abstract=3470734> or <http://dx.doi.org/10.2139/ssrn.3470734>; Johannes Wendsche, Andrea Lohmann-Haislah, and Jürgen Wegge, *The Impact of Supplementary Short Rest Breaks on Task Performance – A Meta-Analysis*, 2016, Sozial Politik, https://www.sozialpolitik.ch/fileadmin/user_upload/2_2016_Wendsche_final.pdf; Robert A. Henning, Pierre Jacques, Goerge V. Kissel, Anne B. Sullivan, and Sabina M. Alteras-Webb, *Frequent Short Rest Breaks from Computer Work: Effects on Productivity and Well-Being at Two Field sites*, *Ergonomics*, 1997, 40:1, 78-91, DOI: 10.1080/001401397188396, <https://pubmed.ncbi.nlm.nih.gov/8995049/>.

² Marjaana Sianoja, Ulla Kinnunen, Jessica de Bloom, Kalevi Korpela and Sabine Geurts, *Recovery During Lunch Breaks: Testing Long-Term Relations with Energy Levels at Work*, *Scandinavian Journal of Work and Organizational Psychology*, 2016, 1(1): 7, 1–12, DOI: <http://dx.doi.org/10.16993/sjowop.13>.

³ Johannes Wendsche, Winfried Hacker, and Jürgen Wegge, *Understaffing and Registered Nurses’ Turnover: The Moderating Role of Regular Rest Breaks*, 2017, *German Journal of Human Resource Management*, 31(3), 238–259, <https://doi.org/10.1177/2397002216683880>.

⁴ Alan Kohll, *New Study Shows Correlation Between Employee Engagement And The Long-Lost Lunch Break*, *Forbes*, May 29, 2018, <https://www.forbes.com/sites/alankohll/2018/05/29/new-study-shows-correlation-between-employee-engagement-and-the-long-lost-lunch-break/?sh=6c0223064efc>.

⁵ Mark Copley, Linda Weidenstedt, Birgit Leick, and Stefan Sütterlin, *Working from Home during Lockdown: The Association between Rest Breaks and Well-Being*, *Ergonomics*, 2022, DOI: 10.1080/00140139.2022.2095038, <https://doi.org/10.1080/00140139.2022.2095038>.

⁶ Dorothee Fischer, David A. Lombardi, Simon Folkard, Joanna Willetts, and David C. Christiani, *Updating the “Risk Index”: A Systematic Review and Meta-Analysis of Occupational Injuries and Work Schedule Characteristics*, *Chronobiology International*, 2017, 34:10, 1423-1438, DOI: 10.1080/07420528.2017.1367305, <https://pubmed.ncbi.nlm.nih.gov/29064297/>; see also Philip Tucker, *The Impact of Rest Breaks Upon Accident Risk, Fatigue and Performance: A Review*, *Work & Stress*, 2003, 17:2, 123-137, DOI: 10.1080/0267837031000155949, <https://www.tandfonline.com/doi/abs/10.1080/0267837031000155949>.

⁷ Centers for Disease Control and Prevention, *Workplace Health Promotion, Increase Productivity*, <https://www.cdc.gov/workplacehealthpromotion/model/control-costs/benefits/productivity.html#print>; see also Walter F. Stewart, Judith A. Ricchi, Isbeth Chee, and David Morganstein, *Lost Productive Work Time Costs From Health Conditions in the United States: Results from the American Productivity Audit*, *J Occup Environ Med*, Dec. 2003, <https://pubmed.ncbi.nlm.nih.gov/14665809/>.

(3) Whether or not there is a federal mandate for the program or agency:

There is no federal mandate requiring meal or rest break protections for Missouri workers. Instead, the federal government allows employers to design their own break-time policies, while requiring that breaks shorter than 20 minutes be paid and allowing duty-free breaks longer than 30 minutes to be unpaid.⁸ Given this relatively weak federal protection, at least 20 states have adopted their own meal break protections for employees.⁹ Absent a federal mandate, Missouri voters could choose to do the same.

(4) Whether or not the proposed program or agency will have significant direct fiscal impact upon any political subdivision of the state:

The proposed employee meal and rest break protections do not apply to public employers and therefore will not have a significant direct fiscal impact on any political subdivision of the state. It is possible that the reduced risk of on-the-job injuries correlated with regular rest breaks will reduce demand on Missouri's worker compensation program. It is also possible that meal and rest break requirements will increase overall private sector productivity in Missouri, and thereby increase state tax revenue.

(5) Whether or not any new physical facilities will be required:

No new physical facilities will be required.

(6) Whether or not the proposed legislation will have an economic impact on small businesses:

The proposed meal and rest break protections would require Missouri businesses with fewer than 50 employees to provide employee meal and rest breaks. We anticipate that the productivity benefits associated with those breaks will offset the reduction in on-duty time. Overall, we anticipate that the meal and rest break requirements proposed would positively impact both employees and small businesses in Missouri.

We hope this summary proves useful as you assess the fiscal impact of the proposed meal and rest break measure. If we can be of further assistance, please do not hesitate to contact our office.

Sincerely,
Towards Justice

⁸ U.S. Department of Labor, *Breaks and Meal Periods*, <https://www.dol.gov/general/topic/workhours/breaks>; see also 29 CFR 785.18 (Rest Periods); 29 CFR 785.19 (Meal Periods).

⁹ U.S. Department of Labor, Wage and Hour Division, *Minimum Length of Meal Period Required under State Law for Adult Employees in Private Sector*, Jan. 1, 2023, <https://www.dol.gov/agencies/whd/state/meal-breaks#>.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 18, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 18 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 2 (2024-051)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 18, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do____ do not ____ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures) _____ Street Address of Affiant _____

Printed Name of Affiant _____ City, State and Zip Code of Affiant _____

Signature of Notary _____ Address of Notary _____ Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending sections 290.502, 290.522, 290.525, 290.527, and 290.530 of the Revised Statutes of Missouri and enacting seventeen new sections to be known as sections 290.518, 290.519, 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [\$8.60] \$14.00 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [\$.85] \$1.00 per hour, effective January 1 of each of the next [four] two years, until it reaches [\$12.00] \$16.00 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.518. 1. Every employer shall provide employees who are to work for seven and one-half hours from the beginning of their shift a meal period of at least 30 continuous minutes. An employee who works in excess of seven and one-half hours shall be entitled to an additional 30 minute meal period for every additional seven and one-half hours worked. An employer shall schedule a meal period no earlier than two hours and no later than five hours from the beginning of a shift, and for employees entitled to a second meal period no earlier than two hours and no later than five hours from the beginning of the second period of seven and one-half hours worked.

2. Meal periods may be unpaid and not counted as time worked provided the employee is completely relieved of all duty. Meal periods shall be time worked and paid at the employee's regular rate of compensation when an employee is required to perform any duties, whether active or inactive, while taking the meal period. An employer is permitted to make the meal period on duty only when the nature of work or other circumstances exist that make it

infeasible for an employee to take a duty-free meal period. In such case, the employee shall be allowed to eat while on duty and shall be paid for the full 30 minutes on-duty meal period and further shall only be required to perform the limited duties during the meal period that make a fully duty-free meal period infeasible. It is the employer's burden to establish that a duty-free meal period is "infeasible" by demonstrating that the failure to provide a duty-free meal period was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free meal period would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a meal period in accordance with this section, the employer shall pay the employee an additional one hour of pay at the employee's regular rate of compensation for each shift that the meal period is not provided. There is a rebuttable presumption that an employee who did not take a meal period was not permitted to do so and that the employer failed to provide that employee a meal period in accordance with this section.

4. If an employer requires an employee to eat on premises, it shall provide a suitable place for that purpose, with adequate seating and tables.

5. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

6. The provisions of this section shall become effective January 1, 2025.

290.519. 1. Every employer shall provide employees a rest break of at least 10 continuous minutes for each four hours worked or major fraction thereof, to be taken as near as practical to the midpoint of each work period of four hours worked or major fraction thereof. An employer need not provide a rest break to employees whose total daily work time is less than three and one-half hours.

2. An employer shall not require the employee to perform any work during a rest break. Employees shall receive rest breaks without deduction from wages and time on rest breaks shall be considered time worked. Rest breaks are in addition to any meal period to which an employee is entitled. An employer need not provide a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof only when the nature of work or other circumstances exist that make it infeasible. In such case, the employee shall be paid an extra 10 minutes of compensation at the employee's regular rate of compensation without being required to perform additional work for that time, for each rest break of 10 continuous minutes that an employee does not receive, and further the employee shall be permitted to use restroom facilities without unreasonable restriction. It is the employer's burden to establish that providing a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof is "infeasible" by demonstrating that the failure to provide such a rest break was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free rest break would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a rest break in accordance with the applicable provisions of this Section, the employer shall pay the employee an additional 30 minutes of pay at the employee's regular rate of compensation for each work period that a rest break is not provided. There is a rebuttable presumption that an employee who did not take a rest break was not permitted to do so and that the employer failed to provide that employee a rest break in accordance with this section.

4. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

5. The provisions of this section shall become effective January 1, 2025.

290.522. Every employer subject to any provision of sections 290.500 to 290.530 or of any regulations issued under sections 290.500 to 290.530 shall keep a summary of sections 290.500 to 290.530, approved by the director, and copies of any applicable wage, meal period, and rest break regulations issued under sections 290.500 to 290.530, or a summary of the wage, meal period, and rest break regulations posted in a conspicuous and accessible place in or about the premises wherein any person subject thereto is employed. Employers shall be furnished copies of the summaries and regulations by the state on request without charge, except that the state may, but is not required to, furnish to employers copies of summaries and regulations relating to the provisions on meal periods and rest breaks without charge but regardless an employer shall keep a summary of those provisions posted consistent with this section.

290.525. Any employer who hinders the director in the performance of his duties in the enforcement of sections 290.500 to 290.530 by any of the following acts is guilty of a class C misdemeanor:

- (1) Refusing to admit the director to any place of employment;
- (2) Failing to make, keep and preserve any records as required under the provisions of sections 290.500 to 290.530;
- (3) Falsifying any record required under the provisions of sections 290.500 to 290.530;
- (4) Refusing to make any record required under the provisions of sections 290.500 to 290.530 accessible to the director;
- (5) Refusing to furnish a sworn statement of any record required under the provisions of sections 290.500 to 290.530 or any other information required for the proper enforcement of sections 290.500 to 290.530 to the director upon demand;
- (6) Failing to post a summary of sections 290.500 to 290.530 or a copy of any applicable regulation as required;
- (7) Discharging or in any other manner discriminating against any employee who has notified the director that he has not been paid wages in accordance with the provisions of sections 290.500 to 290.530, or who has caused to be instituted any proceeding under or related to sections 290.500 to 290.530, or who has testified or is about to testify in any such proceeding;
- (8) Paying or agreeing to pay wages at a rate less than the rate applicable under sections 290.500 to 290.530. Payment at such rate for any week or portion of a week constitutes a separate offense as to each employee;
- (9) Failing to provide meal periods and rest breaks in accordance with sections 290.500 to 290.530;

~~[(9)]~~ (10) Otherwise violating any provisions of sections 290.500 to 290.530.

Each day of violation constitutes a separate offense.

290.527. Any employer who pays any employee less wages than the wages to which the employee is entitled under or by virtue of sections 290.500 to 290.530 shall be liable to the employee affected for the full amount of the wage rate and an additional amount equal to twice the unpaid wages as liquidated damages, less any amount actually paid to the employee by the employer and for costs and such reasonable attorney fees as may be allowed by the court or jury. Any employer who fails to provide meal periods and rest breaks to an employee in accordance with sections 290.500 to 290.530 shall be liable to the employee for any additional wages for time worked if applicable, and in addition for the additional or extra pay due employees for failing to provide meal periods or rest breaks under section 290.518 and 290.519, respectively, and for costs and such reasonable attorney fees as may be allowed by the

court or jury. The employee may bring any legal action necessary to collect the claim. Any agreement between the employee and the employer to work for less than the wage rate or to relinquish requirements associated with meal periods and rest breaks shall be no defense to the action. All actions for the collection of any deficiency in wages or failure to provide meal periods or rest breaks in accordance with sections 290.500 to 290.530 shall be commenced within three years of the accrual of the cause of action.

290.530. Nothing in sections 290.500 to 290.530 shall be deemed to interfere with, impede, or in any way diminish the right of employees to bargain collectively with their employers through representatives of their own choosing in order to establish wages, meal periods, rest breaks, or other conditions of work in excess of the applicable minimum under the provisions of sections 290.500 to 290.530.

290.600. As used in sections 290.600 through 290.642:

(1) "Department", Department of Labor and Industrial Relations.

(2) "Director", Director of the Department of Labor and Industrial Relations.

(3) "Domestic violence", as such term is defined in section 455.010.

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board,

commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) "Sexual assault", as such term is defined in section 455.010.

(13) "Stalking", as such term is defined in section 455.010.

(14) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600

through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. Any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-051)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 18, 2023)

Date

February 7, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Nina DiSalvo, Esq., Policy Director, Towards Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated they do not foresee a fiscal impact with this petition.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated this initiative petition will not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this initiative petition.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact, as they believe they are excluded in the definition of employer and their employees are also excluded.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their department because it exempts public employers, which include state commissions and agencies.

Officials from the **Department of Transportation** indicated there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$14.00 per hour. This rate would increase by \$1.00 per hour each year of the next two years until reaching \$16.00 per hour by January 1, 2027.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 4,639.00
2026	\$ 9,215.00
2027	\$ 60,426.00

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered

fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated this petition does not apply to counties as employers.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county.

Officials from **St. Louis County** indicated this initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this proposed amendment will have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the initiative increases to the minimum wage and benefits is currently lower than their actual experience so the petition should have no near term impact on cost.

Officials from the **Missouri Lottery** indicated no impact.

Officials from the **State Tax Commission** indicated there is no fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their Commission. The proposed sections 290.502.4, 290.518.5, and 290.519.4 RSMo specifically exclude the state and its agencies. The definition of the term "employer" in the proposed section 290.600(8) RSMo specifically excludes the state and its agencies as well. Therefore, the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.502.4, the Kansas City, MO Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated this will have no impact on their Board of Elections.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition will have little to no material fiscal impact on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated no fiscal impact.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided the following information:



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January 23, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposals Related to Chapter 290, RSMo, Petition 2024-050 through 2024-061

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany the paid sick leave provisions of petitions 24-050 through 2024-061 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

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- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

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¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

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²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

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²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

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³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

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³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

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⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

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Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was submitting a fiscal note regarding petitions 24-050 to 24-061. As the policy is identical to previously submitted versions, it is identical to previous material submitted regarding the minimum wage for petitions 24-016 to 24-019. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

Nina DiSalvo, Esq., Policy Director, Towards Justice provided the following information:

January 27, 2023

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301 West High Street, Room 880
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Jefferson City, MO 65102

RE: Missouri IP 24-050 through 24-061

VIA EMAIL: fiscalnote@auditor.mo.gov

To Whom it May Concern:

Towards Justice is a non-profit law firm that represents workers in litigation and other advocacy in our home state of Colorado and across the country. We write pursuant to RsMO 116.175 to assist your office in analyzing the fiscal impact of a ballot measure regarding compensated breaks for Missouri employees that has been proposed to be submitted to the voters of the state of Missouri at the November 5, 2024 election. To that end, we offer an examination of the items in subsection (2) of section 23.140 of the governmental accounting standards board.

This analysis describes only the estimated fiscal impact of proposed meal and rest break requirements in Missouri IP 24-050 through 24-061. We understand that others will provide a fiscal analysis of the proposed increase in the Missouri minimum wage.

(1) The cost of the proposed legislation to the state for the next two fiscal years:

The proposed employee breaktime law requires private employers to provide 10-minute paid rest breaks and 30-minute, duty-free, uncompensated meal breaks to employees. The legislation does not impose these requirements on public employers, "including the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state." Therefore, any fiscal impact to the state will depend on the impact these new requirements have on the private sector.

We predict that state-mandated meal and rest break requirements will increase employee health and happiness in Missouri's private sector. Employee happiness positively impacts productivity

and task performance,¹ and improves employee energy levels at work over time.² Happiness is also associated with lower turnover rates, which reduce employer costs. In a study of turnover rates among nurses, researchers found that “implementing regularly scheduled rest breaks can be considered as an effective intervention for improving retention of nurses even in a situation of understaffing.”³

Breaks also offer mental and physical health benefits.⁴ Workers with fewer breaks suffer from poorer mental and physical health, including an “increased risk of reporting mental fatigue, physical fatigue, poor psychological detachment, inadequate rest, and poor sleep.”⁵ Meanwhile, rest breaks prevent workplace injuries, thereby reducing the cost on the state’s workers compensation fund.⁶ Increased overall health combined with the reduction in workplace injuries, reduce employee need to use sick or vacation time to deal with health issues.⁷

The increased productivity, lower turnover, better health, and reduced workplace injury rates associated with employee breaks would not only counteract any productivity loss associated with reduced on-duty time but would likely lead to an overall increase in private sector productivity in Missouri. Such a productivity increase would positively benefit the state through increased tax revenues.

(2) Whether or not the proposed legislation will establish a program or agency that will duplicate an existing program or agency:

This law will not create a program or agency. Instead, the legislation creates new rights for private sector employees in the state. The law would allow employees to use the existing court system to enforce these new rights. The law does not require the Missouri Department of Labor to participate in implementation or enforcement and would have no impact on the agency’s budget.

¹ Clement Bellet, Jan-Emmanuel De Neve, and George Ward, *Does Employee Happiness have an Impact on Productivity?* Saïd Business School WP 2019-13, Oct. 2019, <https://ssrn.com/abstract=3470734> or <http://dx.doi.org/10.2139/ssrn.3470734>; Johannes Wendsche, Andrea Lohmann-Haislah, and Jürgen Wegge, *The Impact of Supplementary Short Rest Breaks on Task Performance – A Meta-Analysis*, 2016, Sozial Politik, https://www.sozialpolitik.ch/fileadmin/user_upload/2_2016_Wendsche_final.pdf; Robert A. Henning, Pierre Jacques, Goerge V. Kissel, Anne B. Sullivan, and Sabina M. Alteras-Webb, *Frequent Short Rest Breaks from Computer Work: Effects on Productivity and Well-Being at Two Field sites*, *Ergonomics*, 1997, 40:1, 78-91, DOI: 10.1080/001401397188396, <https://pubmed.ncbi.nlm.nih.gov/8995049/>.

² Marjaana Sianoja, Ulla Kinnunen, Jessica de Bloom, Kalevi Korpela and Sabine Geurts, *Recovery During Lunch Breaks: Testing Long-Term Relations with Energy Levels at Work*, *Scandinavian Journal of Work and Organizational Psychology*, 2016, 1(1): 7, 1–12, DOI: <http://dx.doi.org/10.16993/sjwop.13>.

³ Johannes Wendsche, Winfried Hacker, and Jürgen Wegge, *Understaffing and Registered Nurses’ Turnover: The Moderating Role of Regular Rest Breaks*, 2017, *German Journal of Human Resource Management*, 31(3), 238–259, <https://doi.org/10.1177/2397002216683880>.

⁴ Alan Kohll, *New Study Shows Correlation Between Employee Engagement And The Long-Lost Lunch Break*, *Forbes*, May 29, 2018, <https://www.forbes.com/sites/alankohll/2018/05/29/new-study-shows-correlation-between-employee-engagement-and-the-long-lost-lunch-break/?sh=6c0223064efc>.

⁵ Mark Copley, Linda Weidenstedt, Birgit Leick, and Stefan Sütterlin, *Working from Home during Lockdown: The Association between Rest Breaks and Well-Being*, *Ergonomics*, 2022, DOI: 10.1080/00140139.2022.2095038, <https://doi.org/10.1080/00140139.2022.2095038>.

⁶ Dorothee Fischer, David A. Lombardi, Simon Folkard, Joanna Willetts, and David C. Christiani, *Updating the “Risk Index”: A Systematic Review and Meta-Analysis of Occupational Injuries and Work Schedule Characteristics*, *Chronobiology International*, 2017, 34:10, 1423-1438, DOI: 10.1080/07420528.2017.1367305, <https://pubmed.ncbi.nlm.nih.gov/29064297/>; see also Philip Tucker, *The Impact of Rest Breaks Upon Accident Risk, Fatigue and Performance: A Review*, *Work & Stress*, 2003, 17:2, 123-137, DOI: 10.1080/0267837031000155949, <https://www.tandfonline.com/doi/abs/10.1080/0267837031000155949>.

⁷ Centers for Disease Control and Prevention, *Workplace Health Promotion, Increase Productivity*, <https://www.cdc.gov/workplacehealthpromotion/model/control-costs/benefits/productivity.html#print>; see also Walter F. Stewart, Judith A. Ricchi, Isbeth Chee, and David Morganstein, *Lost Productive Work Time Costs From Health Conditions in the United States: Results from the American Productivity Audit*, *J Occup Environ Med*, Dec. 2003, <https://pubmed.ncbi.nlm.nih.gov/14665809/>.

(3) Whether or not there is a federal mandate for the program or agency:

There is no federal mandate requiring meal or rest break protections for Missouri workers. Instead, the federal government allows employers to design their own break-time policies, while requiring that breaks shorter than 20 minutes be paid and allowing duty-free breaks longer than 30 minutes to be unpaid.⁸ Given this relatively weak federal protection, at least 20 states have adopted their own meal break protections for employees.⁹ Absent a federal mandate, Missouri voters could choose to do the same.

(4) Whether or not the proposed program or agency will have significant direct fiscal impact upon any political subdivision of the state:

The proposed employee meal and rest break protections do not apply to public employers and therefore will not have a significant direct fiscal impact on any political subdivision of the state. It is possible that the reduced risk of on-the-job injuries correlated with regular rest breaks will reduce demand on Missouri's worker compensation program. It is also possible that meal and rest break requirements will increase overall private sector productivity in Missouri, and thereby increase state tax revenue.

(5) Whether or not any new physical facilities will be required:

No new physical facilities will be required.

(6) Whether or not the proposed legislation will have an economic impact on small businesses:

The proposed meal and rest break protections would require Missouri businesses with fewer than 50 employees to provide employee meal and rest breaks. We anticipate that the productivity benefits associated with those breaks will offset the reduction in on-duty time. Overall, we anticipate that the meal and rest break requirements proposed would positively impact both employees and small businesses in Missouri.

We hope this summary proves useful as you assess the fiscal impact of the proposed meal and rest break measure. If we can be of further assistance, please do not hesitate to contact our office.

Sincerely,
Towards Justice

⁸ U.S. Department of Labor, *Breaks and Meal Periods*, <https://www.dol.gov/general/topic/workhours/breaks>; see also 29 CFR 785.18 (Rest Periods); 29 CFR 785.19 (Meal Periods).

⁹ U.S. Department of Labor, Wage and Hour Division, *Minimum Length of Meal Period Required under State Law for Adult Employees in Private Sector*, Jan. 1, 2023, <https://www.dol.gov/agencies/whd/state/meal-breaks#>.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 18, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 18 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 1 (2024-050)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 18, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending sections 290.502, 290.522, 290.525, 290.527, and 290.530 of the Revised Statutes of Missouri and enacting seventeen new sections to be known as sections 290.518, 290.519, 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [\$8.60] \$14.00 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [\$.85] \$1.00 per hour, effective January 1 of each of the next [four] two years, until it reaches [\$12.00] \$16.00 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.518. 1. Every employer shall provide employees who are to work for seven and one-half hours from the beginning of their shift a meal period of at least 30 continuous minutes. An employee who works in excess of seven and one-half hours shall be entitled to an additional 30 minute meal period for every additional seven and one-half hours worked. An employer shall schedule a meal period no earlier than two hours and no later than five hours from the beginning of a shift, and for employees entitled to a second meal period no earlier than two hours and no later than five hours from the beginning of the second period of seven and one-half hours worked.

2. Meal periods may be unpaid and not counted as time worked provided the employee is completely relieved of all duty. Meal periods shall be time worked and paid at the employee's regular rate of compensation when an employee is required to perform any duties, whether active or inactive, while taking the meal period. An employer is permitted to make the meal period on duty only when the nature of work or other circumstances exist that make it

infeasible for an employee to take a duty-free meal period. In such case, the employee shall be allowed to eat while on duty and shall be paid for the full 30 minutes on-duty meal period and further shall only be required to perform the limited duties during the meal period that make a fully duty-free meal period infeasible. It is the employer's burden to establish that a duty-free meal period is "infeasible" by demonstrating that the failure to provide a duty-free meal period was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free meal period would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a meal period in accordance with this section, the employer shall pay the employee an additional one hour of pay at the employee's regular rate of compensation for each shift that the meal period is not provided. There is a rebuttable presumption that an employee who did not take a meal period was not permitted to do so and that the employer failed to provide that employee a meal period in accordance with this section.

4. If an employer requires an employee to eat on premises, it shall provide a suitable place for that purpose, with adequate seating and tables.

5. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

6. The provisions of this section shall become effective January 1, 2025.

290.519. 1. Every employer shall provide employees a rest break of at least 10 continuous minutes for each four hours worked or major fraction thereof, to be taken as near as practical to the midpoint of each work period of four hours worked or major fraction thereof. An employer need not provide a rest break to employees whose total daily work time is less than three and one-half hours.

2. An employer shall not require the employee to perform any work during a rest break. Employees shall receive rest breaks without deduction from wages and time on rest breaks shall be considered time worked. Rest breaks are in addition to any meal period to which an employee is entitled. An employer need not provide a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof only when the nature of work or other circumstances exist that make it infeasible. In such case, the employee shall be paid an extra 10 minutes of compensation at the employee's regular rate of compensation without being required to perform additional work for that time, for each rest break of 10 continuous minutes that an employee does not receive, and further the employee shall be permitted to use restroom facilities without unreasonable restriction. It is the employer's burden to establish that providing a duty-free rest break of 10 continuous minutes as near as practical to the midpoint of each work period of four hours worked or major fraction thereof is "infeasible" by demonstrating that the failure to provide such a rest break was a business necessity, either because it was caused by exceptional and unanticipated circumstances that are temporary or because the provision of a duty-free rest break would prevent the employer from performing a vital function or pose a danger to the safety and health of other employees, patients, residents of a facility, service recipients of home and community-based services, clients, or the public.

3. If an employer fails to provide an employee a rest break in accordance with the applicable provisions of this Section, the employer shall pay the employee an additional 30 minutes of pay at the employee's regular rate of compensation for each work period that a rest break is not provided. There is a rebuttable presumption that an employee who did not take a rest break was not permitted to do so and that the employer failed to provide that employee a rest break in accordance with this section.

4. This section shall not apply to a public employer, as defined in Section 290.502.4, with respect to its employees.

5. The provisions of this section shall become effective January 1, 2025.

290.522. Every employer subject to any provision of sections 290.500 to 290.530 or of any regulations issued under sections 290.500 to 290.530 shall keep a summary of sections 290.500 to 290.530, approved by the director, and copies of any applicable wage, meal period, and rest break regulations issued under sections 290.500 to 290.530, or a summary of the wage, meal period, and rest break regulations posted in a conspicuous and accessible place in or about the premises wherein any person subject thereto is employed. Employers shall be furnished copies of the summaries and regulations by the state on request without charge, except that the state may, but is not required to, furnish to employers copies of summaries and regulations relating to the provisions on meal periods and rest breaks without charge but regardless an employer shall keep a summary of those provisions posted consistent with this section.

290.525. Any employer who hinders the director in the performance of his duties in the enforcement of sections 290.500 to 290.530 by any of the following acts is guilty of a class C misdemeanor:

- (1) Refusing to admit the director to any place of employment;
- (2) Failing to make, keep and preserve any records as required under the provisions of sections 290.500 to 290.530;
- (3) Falsifying any record required under the provisions of sections 290.500 to 290.530;
- (4) Refusing to make any record required under the provisions of sections 290.500 to 290.530 accessible to the director;
- (5) Refusing to furnish a sworn statement of any record required under the provisions of sections 290.500 to 290.530 or any other information required for the proper enforcement of sections 290.500 to 290.530 to the director upon demand;
- (6) Failing to post a summary of sections 290.500 to 290.530 or a copy of any applicable regulation as required;
- (7) Discharging or in any other manner discriminating against any employee who has notified the director that he has not been paid wages in accordance with the provisions of sections 290.500 to 290.530, or who has caused to be instituted any proceeding under or related to sections 290.500 to 290.530, or who has testified or is about to testify in any such proceeding;
- (8) Paying or agreeing to pay wages at a rate less than the rate applicable under sections 290.500 to 290.530. Payment at such rate for any week or portion of a week constitutes a separate offense as to each employee;
- (9) Failing to provide meal periods and rest breaks in accordance with sections 290.500 to 290.530;
- ~~[(9)]~~ (10) Otherwise violating any provisions of sections 290.500 to 290.530.

Each day of violation constitutes a separate offense.

290.527. Any employer who pays any employee less wages than the wages to which the employee is entitled under or by virtue of sections 290.500 to 290.530 shall be liable to the employee affected for the full amount of the wage rate and an additional amount equal to twice the unpaid wages as liquidated damages, less any amount actually paid to the employee by the employer and for costs and such reasonable attorney fees as may be allowed by the court or jury. Any employer who fails to provide meal periods and rest breaks to an employee in accordance with sections 290.500 to 290.530 shall be liable to the employee for any additional wages for time worked if applicable, and in addition for the additional or extra pay due employees for failing to provide meal periods or rest breaks under section 290.518 and 290.519, respectively, and for costs and such reasonable attorney fees as may be allowed by the

court or jury. The employee may bring any legal action necessary to collect the claim. Any agreement between the employee and the employer to work for less than the wage rate or to relinquish requirements associated with meal periods and rest breaks shall be no defense to the action. All actions for the collection of any deficiency in wages or failure to provide meal periods or rest breaks in accordance with sections 290.500 to 290.530 shall be commenced within three years of the accrual of the cause of action.

290.530. Nothing in sections 290.500 to 290.530 shall be deemed to interfere with, impede, or in any way diminish the right of employees to bargain collectively with their employers through representatives of their own choosing in order to establish wages, meal periods, rest breaks, or other conditions of work in excess of the applicable minimum under the provisions of sections 290.500 to 290.530.

290.600. As used in sections 290.600 through 290.642:

- (1) "Construction", includes construction, reconstruction, improvement, enlargement, alteration, painting and decorating, or major repair, and does not include maintenance.
- (2) "Construction industry", includes any employer whose employees conduct or perform construction as a principal component of the employer's business or enterprise.
- (3) "Department", Department of Labor and Industrial Relations.
- (4) "Director", Director of the Department of Labor and Industrial Relations.
- (5) "Domestic violence", as such term is defined in section 455.010.
- (6) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.
- (7) "Employee", any individual employed in this state by an employer, but does not include:
 - (A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;
 - (B) Any individual standing in loco parentis to foster children in their care;
 - (C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;
 - (D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;
 - (E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;
 - (F) Any individual employed on a casual basis to provide baby-sitting services;
 - (G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;
 - (H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;
 - (I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);
 - (J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;
 - (K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550;
 - (L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8); or

(M) Any individual employed in the construction industry and engaged in construction work, of fixed works, buildings, or structures or heavy and highway construction work, on the site of a building or construction job.

(8) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(9) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(10) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(11) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(12) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(13) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(14) "Sexual assault", as such term is defined in section 455.010.

(15) "Stalking", as such term is defined in section 455.010.

(16) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is

rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick

time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (I) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (I) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to

take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the

distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as

may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. Any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-050)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 18, 2023)

Date

February 7, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Nina DiSalvo, Esq., Policy Director, Towards Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated as a public employer, they do not foresee this petition to have a fiscal impact on their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated this initiative petition will not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this initiative petition.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact, as it seems the state does not fall under the definition of employer. Also, their employees do not seem to fall under the definition of employees.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their department because it exempts public employers, which include state commissions and agencies.

Officials from the **Department of Transportation** indicated there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage and employee leave benefits does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$14.00 per hour. This rate would increase by \$1.00 per hour each year of the next two years until reaching \$16.00 per hour by January 1, 2027.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 4,639.00
2026	\$ 9,215.00
2027	\$ 60,426.00

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each

year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated this petition does not apply to counties as employers.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county.

Officials from **St. Louis County** indicated this initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this legislation would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the initiative increases to the minimum wage and benefits is currently lower than their actual experience so the petition should have no near term impact on cost.

Officials from the **Missouri Lottery** indicated no fiscal impact to their agency.

Officials from the **State Tax Commission** indicated there is no fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their Commission. The proposed sections 290.502.4, 290.518.5, and 290.519.4 RSMo specifically exclude the state and its agencies. The definition of the term "employer" in the proposed section 290.600(8) RSMo specifically excludes the state and its agencies as well. Therefore, the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.502.4, the Kansas City, MO Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated this will have no impact on their Board of Elections.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition will have little to no material effect on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated no fiscal impact.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

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January 23, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposals Related to Chapter 290, RSMo, Petition 2024-050 through 2024-061

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany the paid sick leave provisions of petitions 24-050 through 2024-061 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

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Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

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¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

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¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

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²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

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²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

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²⁸ Tom W. Smith & Jibum Kim, *Paid Sick Days: Attitudes and Experiences*, Nat'l Opinion Res. Ctr. at U. of Chi. (June 2010), <https://www.issuelab.org/resource/paid-sick-days-attitudes-and-experiences.html>.

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³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

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³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

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³⁹ Appelbaum & Milkman, *supra* note 34, at 17.

⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was submitting a fiscal note regarding petitions 24-050 to 24-061. As the policy is identical to previously submitted versions, it is identical to previous material submitted regarding the minimum wage for petitions 24-016 to 24-019. He also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

Nina DiSalvo, Esq., Policy Director, Towards Justice provided the following information:

January 27, 2023

State Auditor's Office
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102

RE: Missouri IP 24-050 through 24-061

VIA EMAIL: fiscalnote@auditor.mo.gov

To Whom it May Concern:

Towards Justice is a non-profit law firm that represents workers in litigation and other advocacy in our home state of Colorado and across the country. We write pursuant to RsMO 116.175 to assist your office in analyzing the fiscal impact of a ballot measure regarding compensated breaks for Missouri employees that has been proposed to be submitted to the voters of the state of Missouri at the November 5, 2024 election. To that end, we offer an examination of the items in subsection (2) of section 23.140 of the governmental accounting standards board.

This analysis describes only the estimated fiscal impact of proposed meal and rest break requirements in Missouri IP 24-050 through 24-061. We understand that others will provide a fiscal analysis of the proposed increase in the Missouri minimum wage.

(1) The cost of the proposed legislation to the state for the next two fiscal years:

The proposed employee breaktime law requires private employers to provide 10-minute paid rest breaks and 30-minute, duty-free, uncompensated meal breaks to employees. The legislation does not impose these requirements on public employers, "including the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state." Therefore, any fiscal impact to the state will depend on the impact these new requirements have on the private sector.

We predict that state-mandated meal and rest break requirements will increase employee health and happiness in Missouri's private sector. Employee happiness positively impacts productivity

and task performance,¹ and improves employee energy levels at work over time.² Happiness is also associated with lower turnover rates, which reduce employer costs. In a study of turnover rates among nurses, researchers found that “implementing regularly scheduled rest breaks can be considered as an effective intervention for improving retention of nurses even in a situation of understaffing.”³

Breaks also offer mental and physical health benefits.⁴ Workers with fewer breaks suffer from poorer mental and physical health, including an “increased risk of reporting mental fatigue, physical fatigue, poor psychological detachment, inadequate rest, and poor sleep.”⁵ Meanwhile, rest breaks prevent workplace injuries, thereby reducing the cost on the state’s workers compensation fund.⁶ Increased overall health combined with the reduction in workplace injuries, reduce employee need to use sick or vacation time to deal with health issues.⁷

The increased productivity, lower turnover, better health, and reduced workplace injury rates associated with employee breaks would not only counteract any productivity loss associated with reduced on-duty time but would likely lead to an overall increase in private sector productivity in Missouri. Such a productivity increase would positively benefit the state through increased tax revenues.

(2) Whether or not the proposed legislation will establish a program or agency that will duplicate an existing program or agency:

This law will not create a program or agency. Instead, the legislation creates new rights for private sector employees in the state. The law would allow employees to use the existing court system to enforce these new rights. The law does not require the Missouri Department of Labor to participate in implementation or enforcement and would have no impact on the agency’s budget.

¹ Clement Bellet, Jan-Emmanuel De Neve, and George Ward, *Does Employee Happiness have an Impact on Productivity?* Saïd Business School WP 2019-13, Oct. 2019, <https://ssrn.com/abstract=3470734> or <http://dx.doi.org/10.2139/ssrn.3470734>; Johannes Wendsche, Andrea Lohmann-Haislah, and Jürgen Wegge, *The Impact of Supplementary Short Rest Breaks on Task Performance – A Meta-Analysis*, 2016, Sozial Politik, https://www.sozialpolitik.ch/fileadmin/user_upload/2_2016_Wendsche_final.pdf; Robert A. Henning, Pierre Jacques, Goerge V. Kissel, Anne B. Sullivan, and Sabina M. Alteras-Webb, *Frequent Short Rest Breaks from Computer Work: Effects on Productivity and Well-Being at Two Field sites*, *Ergonomics*, 1997, 40:1, 78-91, DOI: 10.1080/001401397188396, <https://pubmed.ncbi.nlm.nih.gov/8995049/>.

² Marjaana Sianoja, Ulla Kinnunen, Jessica de Bloom, Kalevi Korpela and Sabine Geurts, *Recovery During Lunch Breaks: Testing Long-Term Relations with Energy Levels at Work*, *Scandinavian Journal of Work and Organizational Psychology*, 2016, 1(1): 7, 1–12, DOI: <http://dx.doi.org/10.16993/sjwop.13>.

³ Johannes Wendsche, Winfried Hacker, and Jürgen Wegge, *Understaffing and Registered Nurses’ Turnover: The Moderating Role of Regular Rest Breaks*, 2017, *German Journal of Human Resource Management*, 31(3), 238–259, <https://doi.org/10.1177/2397002216683880>.

⁴ Alan Kohll, *New Study Shows Correlation Between Employee Engagement And The Long-Lost Lunch Break*, *Forbes*, May 29, 2018, <https://www.forbes.com/sites/alankohll/2018/05/29/new-study-shows-correlation-between-employee-engagement-and-the-long-lost-lunch-break/?sh=6c0223064efc>.

⁵ Mark Copley, Linda Weidenstedt, Birgit Leick, and Stefan Sütterlin, *Working from Home during Lockdown: The Association between Rest Breaks and Well-Being*, *Ergonomics*, 2022, DOI: 10.1080/00140139.2022.2095038, <https://doi.org/10.1080/00140139.2022.2095038>.

⁶ Dorothee Fischer, David A. Lombardi, Simon Folkard, Joanna Willetts, and David C. Christiani, *Updating the “Risk Index”: A Systematic Review and Meta-Analysis of Occupational Injuries and Work Schedule Characteristics*, *Chronobiology International*, 2017, 34:10, 1423-1438, DOI: 10.1080/07420528.2017.1367305, <https://pubmed.ncbi.nlm.nih.gov/29064297/>; see also Philip Tucker, *The Impact of Rest Breaks Upon Accident Risk, Fatigue and Performance: A Review*, *Work & Stress*, 2003, 17:2, 123-137, DOI: 10.1080/0267837031000155949, <https://www.tandfonline.com/doi/abs/10.1080/0267837031000155949>.

⁷ Centers for Disease Control and Prevention, *Workplace Health Promotion, Increase Productivity*, <https://www.cdc.gov/workplacehealthpromotion/model/control-costs/benefits/productivity.html#print>; see also Walter F. Stewart, Judith A. Ricchi, Isbeth Chee, and David Morganstein, *Lost Productive Work Time Costs From Health Conditions in the United States: Results from the American Productivity Audit*, *J Occup Environ Med*, Dec. 2003, <https://pubmed.ncbi.nlm.nih.gov/14665809/>.

(3) Whether or not there is a federal mandate for the program or agency:

There is no federal mandate requiring meal or rest break protections for Missouri workers. Instead, the federal government allows employers to design their own break-time policies, while requiring that breaks shorter than 20 minutes be paid and allowing duty-free breaks longer than 30 minutes to be unpaid.⁸ Given this relatively weak federal protection, at least 20 states have adopted their own meal break protections for employees.⁹ Absent a federal mandate, Missouri voters could choose to do the same.

(4) Whether or not the proposed program or agency will have significant direct fiscal impact upon any political subdivision of the state:

The proposed employee meal and rest break protections do not apply to public employers and therefore will not have a significant direct fiscal impact on any political subdivision of the state. It is possible that the reduced risk of on-the-job injuries correlated with regular rest breaks will reduce demand on Missouri's worker compensation program. It is also possible that meal and rest break requirements will increase overall private sector productivity in Missouri, and thereby increase state tax revenue.

(5) Whether or not any new physical facilities will be required:

No new physical facilities will be required.

(6) Whether or not the proposed legislation will have an economic impact on small businesses:

The proposed meal and rest break protections would require Missouri businesses with fewer than 50 employees to provide employee meal and rest breaks. We anticipate that the productivity benefits associated with those breaks will offset the reduction in on-duty time. Overall, we anticipate that the meal and rest break requirements proposed would positively impact both employees and small businesses in Missouri.

We hope this summary proves useful as you assess the fiscal impact of the proposed meal and rest break measure. If we can be of further assistance, please do not hesitate to contact our office.

Sincerely,
Towards Justice

⁸ U.S. Department of Labor, *Breaks and Meal Periods*, <https://www.dol.gov/general/topic/workhours/breaks>; see also 29 CFR 785.18 (Rest Periods); 29 CFR 785.19 (Meal Periods).

⁹ U.S. Department of Labor, Wage and Hour Division, *Minimum Length of Meal Period Required under State Law for Adult Employees in Private Sector*, Jan. 1, 2023, <https://www.dol.gov/agencies/whd/state/meal-breaks#>.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 18, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 18 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard Speidel regarding a proposed constitutional amendment to Article VI, version 6 (2024-049)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Richard Speidel on January 18, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____, I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article VI is amended by enacting one new section to be known as Section 34 of Article VI, to read as follows:

VI Section 34. Local control by local government.

1. Notwithstanding any provision of this Constitution or state law to the contrary, any city, town, village or municipality containing ten thousand or more inhabitants, including cities which have and have not adopted a charter and incorporated and unincorporated cities and towns, and any county of any number of inhabitants, including counties which have and have not adopted a charter, shall have the power to enact and enforce ordinances and regulations which establish and enforce standards or requirements within its geographic boundaries for:

- (1) provision of a minimum or living wage that exceeds any in state law or state regulation;
- (2) provision of paid or unpaid days off or leave from work for sickness or illness, vacation, or personal or familial necessity that exceed any in state law or state regulation;
- (3) provision of prevailing wages for construction of local government public works funded in whole or part by local government funds or for construction of projects using a local government grant, tax abatement, or tax credit, that exceed any in state law or state regulation; or
- (4) provision of qualification standards for bidding and selection for procurements and contracts for services to a local government or for construction of local government public works funded in whole or part by local government funds or for construction of projects using a local government grant, tax abatement, or tax credit, including requirements relating to past performance, compliance with local, state, and federal laws, business integrity, financial dependability, the provision of wages and benefits, participation in an apprenticeship program, employee training and safety, and non-discrimination, that are stricter than any such qualification standards in state law or state regulation;

however, such an ordinance and regulation enacted or enforced under the grant of power of this Section shall not apply to employees of the state or another political subdivision, to public works undertaken by the state or another political subdivision, to purchases by the state or another political subdivision, to land, housing, or facilities owned by the state or another political subdivision, or to corporations owned and operated by the state or another political subdivision. A city, town, village, municipality or county as described in this subsection 1 shall have the power to enact and enforce an ordinance or regulation authorized by this Section following the effective date of this Section notwithstanding a conflict or inconsistency with state law or state regulation provided that the ordinance or regulation establishes or enforces standards or requirements as limited by this subsection 1. Further, no state law or state regulation currently in effect or later enacted or promulgated shall, either expressly or impliedly, restrict or prohibit any such city, town, village, municipality or county from enacting and enforcing ordinances and regulations authorized by this Section following the effective date of this Section relating to the establishment or enforcement of standards or requirements as limited by this subsection 1 or act to preempt or nullify such ordinances and regulations relating to the establishment or enforcement of standards or requirements as limited by this subsection 1.

2. Nothing herein is intended to diminish or detract from the existing powers of a city, town, village, municipality or county under this Constitution. This Section shall be liberally construed to promote the public policy of local control by local government. A city or county which has adopted a charter for its own government may amend that charter as permitted by the Constitution to provide for the exercise of the power set forth in this Section, if such power is currently limited or denied by its charter. However, nothing herein shall be interpreted or applied to authorize a city, town, village, municipality or county to enforce any ordinance or regulation enacted under the authority of this Section in a manner that is in conflict with federal law.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-049)**

Subject

Initiative petition from Richard Speidel regarding a proposed constitutional amendment to Article VI. (Received January 18, 2023)

Date

February 7, 2023

Description

This proposal would amend Article VI of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Gina Chiala, Executive Director, Attorney, Heartland Center for Jobs and Freedom provided information to the State Auditor's office.

Amy Blouin, President and CEO, Missouri Budget Project provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated they do not foresee their department being impacted by this petition.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated no impact.

Officials from the **Department of Commerce and Insurance** indicated that this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated the proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VI.

Officials from the **Department of Revenue** indicated this initiative petition will not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this initiative petition.

Officials from the **Governor's office** indicated this proposal relating to local government ordinances and regulations does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated they do not anticipate that this initiative petition will have a fiscal impact on their department because it exempts public employees, public works projects, and purchases by the state.

Officials from the **Department of Transportation** indicated there is no fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to local government ordinances and regulations does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. They estimate \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated due to the exemption of county employees in subsection 1 as well as the county's existing charter status, they estimate no financial impact from this initiative petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St Louis County** indicated this initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this legislation would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they believe because of their political subdivision status it may not have an impact on their college directly. Local governments enacting minimum wage regulations or other employee benefit requirements could indirectly affect the college's cost structure; however, the effects cannot be determined at this time.

Officials from the **Missouri Lottery** indicated no fiscal impact.

Officials from the **Missouri State Tax Commission** indicated this will have no fiscal impact on their commission.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their commission. The proposed Article VI, Section 1, paragraph 1 specifically excludes employees of the state, so the potential impact of the petition would not apply to their commission.

Officials from the **Missouri Ethics Commission** indicated the initiative petition does not have fiscal impact on their commission.

Officials from the **Kansas City Board of Police Commissioners** indicated the Kansas City Police Department are employees of the state, so this petition would not apply to them.

Officials from the **St. Louis County Board of Elections** indicated this will have no impact on their board.

Officials from the **Kansas City Board of Election Commissioners** indicated they see no material fiscal impact with this petition.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund of Missouri** indicated no impact.

Officials from the **State Auditor's office** indicated no fiscal impact.

Officials from the **Missouri Gaming Commission** indicated this petition will have no fiscal impact on their commission.

Gina Chiala, Executive Director, Attorney, Heartland Center for Jobs and Freedom provided the following information:



HEARTLAND CENTER FOR JOBS & FREEDOM

January 23, 2023

State Auditor's Office
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102
Email: moaudit@auditor.mo.gov

Re: 2024-044 to 2024-049.

I write regarding the fiscal impact of petitions 2024-044 to 2024-049.

My name is Gina Chiala and I have been practicing law for sixteen years, I am the Executive Director of a nonprofit organization that enforces the rights of low-wage workers, and I have worked on social justice campaigns at the local, state, and national levels throughout my career.

Petitions 2024-044 to 2024-049 would empower local voters and local governments in new ways, but if passed, no action would be required or compelled of local governments. Indeed, any future choices made by voters or their local elected representatives would need to be evaluated individually by those voters and leaders. Speculation about those choices is impossible and inappropriate for the fiscal note for these petitions.

Petitions 2024-044 to 2024-049 would have no impact on revenues or expenses by state or local governments.

Thank you for your attention to this correspondence and for your ongoing work educating voters about initiative petitions they may consider.

Sincerely,

Gina Chiala
Executive Director
Lead Attorney
Cell: 816-585-7786
Office: 816-278-1094
ginachiala@jobsandfreedom.org

Amy Blouin, President and CEO, Missouri Budget Project indicated Missouri Budget Project has assessed recently submitted initiative petitions 2024-044 through 2024-049 and determined that there is no fiscal impact of the measures. If approved by voters, the measures would protect the ability of cities, towns, villages, municipalities, and counties to enact and enforce ordinances or regulations related to workplace, employment, affordable housing, predatory lending, safety, and environmental matters. The petitions protect local control over these policies, but do not require cities, towns, villages, municipalities, and counties to enact any of the policies. As a result, the petitions have no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings from this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 18, 2023

RECEIVED

JAN 18 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Richard Speidel regarding a proposed constitutional amendment to Article VI, version 5 (2024-048)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Richard Speidel on January 18, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____, I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article VI is amended by enacting one new section to be known as Section 34 of Article VI, to read as follows:

VI Section 34. Local control by local government.

1. Notwithstanding any provision of this Constitution or state law to the contrary, any city, town, village or municipality containing ten thousand or more inhabitants, including cities which have and have not adopted a charter and incorporated and unincorporated cities and towns, and any county of any number of inhabitants, including counties which have and have not adopted a charter, shall have the power to enact and enforce ordinances and regulations which establish and enforce standards or requirements within its geographic boundaries which limit or restrict the amount of rent and fees to be charged for privately-owned single-family or multiple-unit residential rental property; however, such an ordinance and regulation enacted or enforced under the grant of power of this Section shall not apply to land, housing, or facilities owned by the state or another political subdivision or to corporations owned and operated by the state or another political subdivision. A city, town, village, municipality or county as described in this subsection 1 shall have the power to enact and enforce an ordinance or regulation authorized by this Section following the effective date of this Section notwithstanding a conflict or inconsistency with state law or state regulation provided that the ordinance or regulation establishes or enforces standards or requirements as limited by this subsection 1. Further, no state law or state regulation currently in effect or later enacted or promulgated shall, either expressly or impliedly, restrict or prohibit any such city, town, village, municipality or county from enacting and enforcing ordinances and regulations authorized by this Section following the effective date of this Section relating to the establishment or enforcement of standards or requirements as limited by this subsection 1 or act to preempt or nullify such ordinances and regulations relating to the establishment or enforcement of standards or requirements as limited by this subsection 1.

2. Nothing herein is intended to diminish or detract from the existing powers of a city, town, village, municipality or county under this Constitution. This Section shall be liberally construed to promote the public policy of local control by local government. A city or county which has adopted a charter for its own government may amend that charter as permitted by the Constitution to provide for the exercise of the power set forth in this Section, if such power is currently limited or denied by its charter. However, nothing herein shall be interpreted or applied to authorize a city, town, village, municipality or county to enforce any ordinance or regulation enacted under the authority of this Section in a manner that is in conflict with federal law.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-048)**

Subject

Initiative petition from Richard Speidel regarding a proposed constitutional amendment to Article VI. (Received January 18, 2023)

Date

February 7, 2023

Description

This proposal would amend Article VI of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Gina Chiala, Executive Director, Attorney, Heartland Center for Jobs and Freedom provided information to the State Auditor's office.

Amy Blouin, President and CEO, Missouri Budget Project provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated they do not foresee their department being impacted by this petition.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated no impact.

Officials from the **Department of Commerce and Insurance** indicated that this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated the proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VI.

Officials from the **Department of Revenue** indicated this initiative petition will not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this initiative petition.

Officials from the **Governor's office** indicated this proposal relating to local government ordinances and regulations does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated they do not anticipate that this initiative petition will have a fiscal impact on their department because it exempts land and other facilities owned by the state or corporations, which may operate land or other state facilities.

Officials from the **Department of Transportation** indicated there is no fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to local government ordinances and regulations does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. They estimate \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated they estimate no fiscal impact from this initiative petition at present.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St Louis County** indicated this initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this legislation would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they believe because of their political subdivision status it may not have an impact on their college directly. They are not sure of the legality of this type of initiative with respect to their political subdivision status; however, local governments enacting minimum wage regulations or other employee benefit requirements could indirectly affect the college's cost structure; however, the effects cannot be determined at this time.

Officials from the **Missouri Lottery** indicated no fiscal impact.

Officials from the **Missouri State Tax Commission** indicated this will have no fiscal impact on their commission.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their commission. The proposed Article VI, Section 1, paragraph 1 specifically excludes employees of the state, so the potential impact of the petition would not apply to their commission.

Officials from the **Missouri Ethics Commission** indicated the initiative petition does not have fiscal impact on their commission.

Officials from the **Kansas City Board of Police Commissioners** indicated the Kansas City Police Department are employees of the state, so this petition would not apply to them.

Officials from the **St. Louis County Board of Elections** indicated this will have no impact on their board.

Officials from the **Kansas City Board of Election Commissioners** indicated they see no material impact with this petition.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund of Missouri** indicated no impact.

Officials from the **State Auditor's office** indicated no fiscal impact.

Officials from the **Missouri Gaming Commission** indicated this petition will have no fiscal impact on their commission.

Gina Chiala, Executive Director, Attorney, Heartland Center for Jobs and Freedom provided the following information:



HEARTLAND CENTER FOR JOBS & FREEDOM

January 23, 2023

State Auditor's Office
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102
Email: moaudit@auditor.mo.gov

Re: 2024-044 to 2024-049.

I write regarding the fiscal impact of petitions 2024-044 to 2024-049.

My name is Gina Chiala and I have been practicing law for sixteen years, I am the Executive Director of a nonprofit organization that enforces the rights of low-wage workers, and I have worked on social justice campaigns at the local, state, and national levels throughout my career.

Petitions 2024-044 to 2024-049 would empower local voters and local governments in new ways, but if passed, no action would be required or compelled of local governments. Indeed, any future choices made by voters or their local elected representatives would need to be evaluated individually by those voters and leaders. Speculation about those choices is impossible and inappropriate for the fiscal note for these petitions.

Petitions 2024-044 to 2024-049 would have no impact on revenues or expenses by state or local governments.

Thank you for your attention to this correspondence and for your ongoing work educating voters about initiative petitions they may consider.

Sincerely,

Gina Chiala
Executive Director
Lead Attorney
Cell: 816-585-7786
Office: 816-278-1094
ginachiala@jobsandfreedom.org

Amy Blouin, President and CEO, Missouri Budget Project indicated Missouri Budget Project has assessed recently submitted initiative petitions 2024-044 through 2024-049 and determined that there is no fiscal impact of the measures. If approved by voters, the measures would protect the ability of cities, towns, villages, municipalities, and counties to enact and enforce ordinances or regulations related to workplace, employment, affordable housing, predatory lending, safety, and environmental matters. The petitions protect local control over these policies, but do not require cities, towns, villages, municipalities, and counties to enact any of the policies. As a result, the petitions have no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings from this proposal.



JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

January 18, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 18 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard Speidel regarding a proposed constitutional amendment to Article VI, version 4 (2024-047)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Richard Speidel on January 18, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ____ do not ____ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article VI is amended by enacting one new section to be known as Section 34 of Article VI, to read as follows:

VI Section 34. Local control by local government.

1. Notwithstanding any provision of this Constitution or state law to the contrary, any city, town, village or municipality containing ten thousand or more inhabitants, including cities which have and have not adopted a charter and incorporated and unincorporated cities and towns, and any county of any number of inhabitants, including counties which have and have not adopted a charter, shall have the power to enact and enforce ordinances and regulations which establish and enforce standards or requirements within its geographic boundaries for:

- (1) provision of a minimum or living wage that exceeds any in state law or state regulation;
- (2) provision of paid or unpaid days off or leave from work for sickness or illness, vacation, or personal or familial necessity that exceed any in state law or state regulation;
- (3) provision of notice of work schedules and notice of changes to work schedules, or the provision of minimum paid or unpaid rest times or meal periods during work shifts or time off between work shifts, that exceed any such notice requirements or any rest time or meal period or time off requirements in state law or state regulation; or
- (4) limits and restrictions to the amount of rent and fees to be charged for privately-owned single-family or multiple-unit residential rental property;

however, such an ordinance and regulation enacted or enforced under the grant of power of this Section shall not apply to employees of the state or another political subdivision, to land, housing, or facilities owned by the state or another political subdivision, or to corporations owned and operated by the state or another political subdivision. A city, town, village, municipality or county as described in this subsection 1 shall have the power to enact and enforce an ordinance or regulation authorized by this Section following the effective date of this Section notwithstanding a conflict or inconsistency with state law or state regulation provided that the ordinance or regulation establishes or enforces standards or requirements as limited by this subsection 1. Further, no state law or state regulation currently in effect or later enacted or promulgated shall, either expressly or impliedly, restrict or prohibit any such city, town, village, municipality or county from enacting and enforcing ordinances and regulations authorized by this Section following the effective date of this Section relating to the establishment or enforcement of standards or requirements as limited by this subsection 1 or act to preempt or nullify such ordinances and regulations relating to the establishment or enforcement of standards or requirements as limited by this subsection 1.

2. Nothing herein is intended to diminish or detract from the existing powers of a city, town, village, municipality or county under this Constitution. This Section shall be liberally construed to promote the public policy of local control by local government. A city or county which has adopted a charter for its own government may amend that charter as permitted by the Constitution to provide for the exercise of the power set forth in this Section, if such power is currently limited or denied by its charter. However, nothing herein shall be interpreted or applied to authorize a city, town, village, municipality or county to enforce any ordinance or regulation enacted under the authority of this Section in a manner that is in conflict with federal law.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-047)**

Subject

Initiative petition from Richard Speidel regarding a proposed constitutional amendment to Article VI. (Received January 18, 2023)

Date

February 7, 2023

Description

This proposal would amend Article VI of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Gina Chiala, Executive Director, Attorney, Heartland Center for Jobs and Freedom provided information to the State Auditor's office.

Amy Blouin, President and CEO, Missouri Budget Project provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated they do not foresee their department being impacted by this petition.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated no impact.

Officials from the **Department of Commerce and Insurance** indicated that this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated the proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VI.

Officials from the **Department of Revenue** indicated this initiative petition will not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this initiative petition.

Officials from the **Governor's office** indicated this proposal relating to local government ordinances and regulations does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated they do not anticipate that this initiative petition will have a fiscal impact on their department because it exempts public employees and other political subdivisions of the state, as well as land and other facilities owned by the state.

Officials from the **Department of Transportation** indicated there is no fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to local government ordinances and regulations does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. They estimate \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated due to the exemption of county employees in subsection 1 as well as the county's existing charter status, they estimate no financial impact from this initiative petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St Louis County** indicated this initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this legislation would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they believe because of their political subdivision status it may not have an impact on their college directly. Local governments enacting minimum wage regulations or other employee benefit requirements could indirectly affect the college's cost structure; however, the effects cannot be determined at this time.

Officials from the **Missouri Lottery** indicated no fiscal impact.

Officials from the **Missouri State Tax Commission** indicated this will have no fiscal impact on their commission.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their commission. The proposed Article VI, Section 1, paragraph 1 specifically excludes employees of the state, so the potential impact of the petition would not apply to their commission.

Officials from the **Missouri Ethics Commission** indicated the initiative petition does not have fiscal impact on their commission.

Officials from the **Kansas City Board of Police Commissioners** indicated the Kansas City Police Department are employees of the state, so this petition would not apply to them.

Officials from the **St. Louis County Board of Elections** indicated this will have no impact on their board.

Officials from the **Kansas City Board of Election Commissioners** indicated they see no fiscal impact with the petition.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund of Missouri** indicated no impact.

Officials from the **State Auditor's office** indicated no fiscal impact.

Officials from the **Missouri Gaming Commission** indicated this petition will have no fiscal impact on their commission.

Gina Chiala, Executive Director, Attorney, Heartland Center for Jobs and Freedom provided the following information:



HEARTLAND CENTER FOR JOBS & FREEDOM

January 23, 2023

State Auditor's Office
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102
Email: moaudit@auditor.mo.gov

Re: 2024-044 to 2024-049.

I write regarding the fiscal impact of petitions 2024-044 to 2024-049.

My name is Gina Chiala and I have been practicing law for sixteen years, I am the Executive Director of a nonprofit organization that enforces the rights of low-wage workers, and I have worked on social justice campaigns at the local, state, and national levels throughout my career.

Petitions 2024-044 to 2024-049 would empower local voters and local governments in new ways, but if passed, no action would be required or compelled of local governments. Indeed, any future choices made by voters or their local elected representatives would need to be evaluated individually by those voters and leaders. Speculation about those choices is impossible and inappropriate for the fiscal note for these petitions.

Petitions 2024-044 to 2024-049 would have no impact on revenues or expenses by state or local governments.

Thank you for your attention to this correspondence and for your ongoing work educating voters about initiative petitions they may consider.

Sincerely,

Gina Chiala
Executive Director
Lead Attorney
Cell: 816-585-7786
Office: 816-278-1094
ginachiala@jobsandfreedom.org

Amy Blouin, President and CEO, Missouri Budget Project indicated Missouri Budget Project has assessed recently submitted initiative petitions 2024-044 through 2024-049 and determined that there is no fiscal impact of the measures. If approved by voters, the measures would protect the ability of cities, towns, villages, municipalities, and counties to enact and enforce ordinances or regulations related to workplace, employment, affordable housing, predatory lending, safety, and environmental matters. The petitions protect local control over these policies, but do not require cities, towns, villages, municipalities, and counties to enact any of the policies. As a result, the petitions have no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings from this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 18, 2023

RECEIVED

JAN 18 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Richard Speidel regarding a proposed constitutional amendment to Article VI, version 3 (2024-046)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Richard Speidel on January 18, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____, I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
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10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article VI is amended by enacting one new section to be known as Section 34 of Article VI, to read as follows:

VI Section 34. Local control by local government.

1. Notwithstanding any provision of this Constitution or state law to the contrary, any city, town, village or municipality containing ten thousand or more inhabitants, including cities which have and have not adopted a charter and incorporated and unincorporated cities and towns, and any county of any number of inhabitants, including counties which have and have not adopted a charter, shall have the power to enact and enforce ordinances and regulations which establish and enforce standards or requirements within its geographic boundaries for:

- (1) provision of a minimum or living wage that exceeds any in state law or state regulation; or
- (2) provision of paid or unpaid days off or leave from work for sickness or illness, vacation, or personal or familial necessity that exceed any in state law or state regulation;

however, such an ordinance and regulation enacted or enforced under the grant of power of this Section shall not apply to employees of the state or another political subdivision. A city, town, village, municipality or county as described in this subsection 1 shall have the power to enact and enforce an ordinance or regulation authorized by this Section following the effective date of this Section notwithstanding a conflict or inconsistency with state law or state regulation provided that the ordinance or regulation establishes or enforces standards or requirements as limited by this subsection 1. Further, no state law or state regulation currently in effect or later enacted or promulgated shall, either expressly or impliedly, restrict or prohibit any such city, town, village, municipality or county from enacting and enforcing ordinances and regulations authorized by this Section following the effective date of this Section relating to the establishment or enforcement of standards or requirements as limited by this subsection 1 or act to preempt or nullify such ordinances and regulations relating to the establishment or enforcement of standards or requirements as limited by this subsection 1.

2. Nothing herein is intended to diminish or detract from the existing powers of a city, town, village, municipality or county under this Constitution. This Section shall be liberally construed to promote the public policy of local control by local government. A city or county which has adopted a charter for its own government may amend that charter as permitted by the Constitution to provide for the exercise of the power set forth in this Section, if such power is currently limited or denied by its charter. However, nothing herein shall be interpreted or applied to authorize a city, town, village, municipality or county to enforce any ordinance or regulation enacted under the authority of this Section in a manner that is in conflict with federal law.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-046)**

Subject

Initiative petition from Richard Speidel regarding a proposed constitutional amendment to Article VI. (Received January 18, 2023)

Date

February 7, 2023

Description

This proposal would amend Article VI of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Gina Chiala, Executive Director, Attorney, Heartland Center for Jobs and Freedom provided information to the State Auditor's office.

Amy Blouin, President and CEO, Missouri Budget Project provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated they do not foresee their department being impacted by this petition.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated no impact.

Officials from the **Department of Commerce and Insurance** indicated that this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated the proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VI.

Officials from the **Department of Revenue** indicated this initiative petition will not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this initiative petition.

Officials from the **Governor's office** indicated this proposal relating to local government ordinances and regulations does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated they do not anticipate that this initiative petition will have a fiscal impact on their department because it exempts public employees and other political subdivisions.

Officials from the **Department of Transportation** indicated there is no fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to local government ordinances and regulations does not financially impact their office.

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Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. They estimate \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated due to the exemption of county employees in subsection 1 as well as the county's existing charter status, they estimate no financial impact from this initiative petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St Louis County** indicated this initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this legislation would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they believe because of their political subdivision status it will have not an impact on their college directly. Local governments enacting minimum wage regulations or other employee benefit requirements could indirectly affect the college's cost structure; however, the effects cannot be determined at this time.

Officials from the **Missouri Lottery** indicated no fiscal impact.

Officials from the **Missouri State Tax Commission** indicated this will have no fiscal impact on their commission.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their commission. The proposed Article VI, Section 1, paragraph 1 specifically excludes employees of the state, so the potential impact of the petition would not apply to their commission.

Officials from the **Missouri Ethics Commission** indicated the initiative petition does not have fiscal impact on their commission.

Officials from the **Kansas City Board of Police Commissioners** indicated the Kansas City Police Department are employees of the state, so this petition would not apply to them.

Officials from the **St. Louis County Board of Elections** indicated this will have no impact on their board.

Officials from the **Kansas City Board of Election Commissioners** indicated no material fiscal impact with this petition and their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund of Missouri** indicated no impact.

Officials from the **State Auditor's office** indicated no fiscal impact.

Officials from the **Missouri Gaming Commission** indicated this petition will have no fiscal impact on their commission.

Gina Chiala, Executive Director, Attorney, Heartland Center for Jobs and Freedom provided the following information:



HEARTLAND CENTER FOR JOBS & FREEDOM

January 23, 2023

State Auditor's Office
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102
Email: moaudit@auditor.mo.gov

Re: 2024-044 to 2024-049.

I write regarding the fiscal impact of petitions 2024-044 to 2024-049.

My name is Gina Chiala and I have been practicing law for sixteen years, I am the Executive Director of a nonprofit organization that enforces the rights of low-wage workers, and I have worked on social justice campaigns at the local, state, and national levels throughout my career.

Petitions 2024-044 to 2024-049 would empower local voters and local governments in new ways, but if passed, no action would be required or compelled of local governments. Indeed, any future choices made by voters or their local elected representatives would need to be evaluated individually by those voters and leaders. Speculation about those choices is impossible and inappropriate for the fiscal note for these petitions.

Petitions 2024-044 to 2024-049 would have no impact on revenues or expenses by state or local governments.

Thank you for your attention to this correspondence and for your ongoing work educating voters about initiative petitions they may consider.

Sincerely,

Gina Chiala
Executive Director
Lead Attorney
Cell: 816-585-7786
Office: 816-278-1094
ginachiala@jobsandfreedom.org

Amy Blouin, President and CEO, Missouri Budget Project indicated Missouri Budget Project has assessed recently submitted initiative petitions 2024-044 through 2024-049 and determined that there is no fiscal impact of the measures. If approved by voters, the measures would protect the ability of cities, towns, villages, municipalities, and counties to enact and enforce ordinances or regulations related to workplace, employment, affordable housing, predatory lending, safety, and environmental matters. The petitions protect local control over these policies, but do not require cities, towns, villages, municipalities, and counties to enact any of the policies. As a result, the petitions have no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings from this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 18, 2023

RECEIVED

JAN 18 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Richard Speidel regarding a proposed constitutional amendment to Article VI, version 2 (2024-045)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Richard Speidel on January 18, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____, I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
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10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures) _____
Printed Name of Affiant _____

Street Address of Affiant _____
City, State and Zip Code of Affiant _____

Subscribed and sworn to before me this _____ day of _____, A.D.
Signature of Notary _____
Address of Notary _____
Notary Public (Seal) _____
My commission expires _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article VI is amended by enacting one new section to be known as Section 34 of Article VI, to read as follows:

VI Section 34. Local control by local government.

1. Notwithstanding any provision of this Constitution or state law to the contrary, any city, town, village or municipality containing ten thousand or more inhabitants, including cities which have and have not adopted a charter and incorporated and unincorporated cities and towns, and any county of any number of inhabitants, including counties which have and have not adopted a charter, shall have the power to enact and enforce ordinances and regulations which establish and enforce standards or requirements within its geographic boundaries for:

- (1) provision of a minimum or living wage that exceeds any in state law or state regulation;
- (2) provision of paid or unpaid days off or leave from work for sickness or illness, vacation, or personal or familial necessity that exceed any in state law or state regulation; or
- (3) provision of notice of work schedules and notice of changes to work schedules, or the provision of minimum paid or unpaid rest times or meal periods during work shifts or time off between work shifts, that exceed any such notice requirements or any rest time or meal period or time off requirements in state law or state regulation;

however, such an ordinance and regulation enacted or enforced under the grant of power of this Section shall not apply to employees of the state or another political subdivision. A city, town, village, municipality or county as described in this subsection 1 shall have the power to enact and enforce an ordinance or regulation authorized by this Section following the effective date of this Section notwithstanding a conflict or inconsistency with state law or state regulation provided that the ordinance or regulation establishes or enforces standards or requirements as limited by this subsection 1. Further, no state law or state regulation currently in effect or later enacted or promulgated shall, either expressly or impliedly, restrict or prohibit any such city, town, village, municipality or county from enacting and enforcing ordinances and regulations authorized by this Section following the effective date of this Section relating to the establishment or enforcement of standards or requirements as limited by this subsection 1 or act to preempt or nullify such ordinances and regulations relating to the establishment or enforcement of standards or requirements as limited by this subsection 1.

2. Nothing herein is intended to diminish or detract from the existing powers of a city, town, village, municipality or county under this Constitution. This Section shall be liberally construed to promote the public policy of local control by local government. A city or county which has adopted a charter for its own government may amend that charter as permitted by the Constitution to provide for the exercise of the power set forth in this Section, if such power is currently limited or denied by its charter. However, nothing herein shall be interpreted or applied to authorize a city, town, village, municipality or county to enforce any ordinance or regulation enacted under the authority of this Section in a manner that is in conflict with federal law.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-045)**

Subject

Initiative petition from Richard Speidel regarding a proposed constitutional amendment to Article VI. (Received January 18, 2023)

Date

February 7, 2023

Description

This proposal would amend Article VI of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Gina Chiala, Executive Director, Attorney, Heartland Center for Jobs and Freedom provided information to the State Auditor's office.

Amy Blouin, President and CEO, Missouri Budget Project provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated they do not foresee a fiscal impact to their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated no impact.

Officials from the **Department of Commerce and Insurance** indicated that this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated the proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VI.

Officials from the **Department of Revenue** indicated this initiative petition will not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this initiative petition.

Officials from the **Governor's office** indicated this proposal relating to local government ordinances and regulations does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated they do not anticipate that this initiative petition will have a fiscal impact on their department because it exempts public employees and other political subdivisions.

Officials from the **Department of Transportation** indicated there is no fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to local government ordinances and regulations does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. They estimate \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

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Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated due to the exemption of county employees in subsection 1 as well as the county's existing charter status, they estimate no financial impact from this initiative petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St Louis County** indicated this initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this legislation would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they believe because of their political subdivision status it may not have an impact on their college directly. They are not sure of the legality of this type of initiative with respect to their political subdivision status; however, local governments enacting minimum wage regulations or other employee benefit requirements could indirectly affect the college's cost structure; however, the effects cannot be determined at this time.

Officials from the **Missouri State Lottery Commission** indicated no fiscal impact.

Officials from the **Missouri State Tax Commission** indicated this initiative petition will have no fiscal impact on their commission.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their commission. The proposed Article VI, Section 1, paragraph 1 specifically excludes employees of the state, so the potential impact of the petition would not apply to their commission.

Officials from the **Missouri Ethics Commission** indicated the initiative petition does not have fiscal impact on their commission.

Officials from the **Kansas City Board of Police Commissioners** indicated the Kansas City Police Department are employees of the state, so this petition would not apply to them.

Officials from the **St. Louis County Board of Elections** indicated this will have no impact on their board.

Officials from the **Kansas City Board of Election Commissioners** indicated they see no fiscal impact with this petition.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund of Missouri** indicated no impact.

Officials from the **State Auditor's office** indicated no fiscal impact.

Officials from the **Missouri Gaming Commission** indicated this petition will have no fiscal impact on their commission.

Gina Chiala, Executive Director, Attorney, Heartland Center for Jobs and Freedom provided the following information:



HEARTLAND CENTER FOR JOBS & FREEDOM

January 23, 2023

State Auditor's Office
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102
Email: moaudit@auditor.mo.gov

Re: 2024-044 to 2024-049.

I write regarding the fiscal impact of petitions 2024-044 to 2024-049.

My name is Gina Chiala and I have been practicing law for sixteen years, I am the Executive Director of a nonprofit organization that enforces the rights of low-wage workers, and I have worked on social justice campaigns at the local, state, and national levels throughout my career.

Petitions 2024-044 to 2024-049 would empower local voters and local governments in new ways, but if passed, no action would be required or compelled of local governments. Indeed, any future choices made by voters or their local elected representatives would need to be evaluated individually by those voters and leaders. Speculation about those choices is impossible and inappropriate for the fiscal note for these petitions.

Petitions 2024-044 to 2024-049 would have no impact on revenues or expenses by state or local governments.

Thank you for your attention to this correspondence and for your ongoing work educating voters about initiative petitions they may consider.

Sincerely,

Gina Chiala
Executive Director
Lead Attorney
Cell: 816-585-7786
Office: 816-278-1094
ginachiala@jobsandfreedom.org

Amy Blouin, President and CEO, Missouri Budget Project indicated Missouri Budget Project has assessed recently submitted initiative petitions 2024-044 through 2024-049 and determined that there is no fiscal impact of the measures. If approved by voters, the measures would protect the ability of cities, towns, villages, municipalities, and counties to enact and enforce ordinances or regulations related to workplace, employment, affordable housing, predatory lending, safety, and environmental matters. The petitions protect local control over these policies, but do not require cities, towns, villages, municipalities, and counties to enact any of the policies. As a result, the petitions have no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings from this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 18, 2023

RECEIVED

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

JAN 18 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard Speidel regarding a proposed constitutional amendment to Article VI, version 1 (2024-044)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Richard Speidel on January 18, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____, I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
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9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article VI is amended by enacting one new section to be known as Section 34 of Article VI, to read as follows:

VI Section 34. Local control by local government.

1. Notwithstanding any provision of this Constitution or state law to the contrary, any city, town, village or municipality containing ten thousand or more inhabitants, including cities which have and have not adopted a charter and incorporated and unincorporated cities and towns, and any county of any number of inhabitants, including counties which have and have not adopted a charter, shall have the power to enact and enforce ordinances and regulations which establish and enforce standards or requirements within its geographic boundaries relating to a workplace, employment, affordable housing, predatory lending, safety, or environmental matter as defined in subsection 3 of this Section; however, such an ordinance and regulation enacted or enforced under the grant of power of this Section shall not apply to employees of the state or another political subdivision, to public works undertaken by the state or another political subdivision, to purchases by the state or another political subdivision, to land, housing, or facilities owned by the state or another political subdivision, or to corporations owned and operated by the state or another political subdivision. A city, town, village, municipality or county as described in this subsection 1 shall have the power to enact and enforce an ordinance or regulation authorized by this Section following the effective date of this Section notwithstanding a conflict or inconsistency with state law or state regulation provided that the ordinance or regulation establishes or enforces standards or requirements as limited by this subsection 1 and subsection 3. Further, no state law or state regulation currently in effect or later enacted or promulgated shall, either expressly or impliedly, restrict or prohibit any such city, town, village, municipality or county from enacting and enforcing ordinances and regulations authorized by this Section following the effective date of this Section relating to the establishment or enforcement of standards or requirements as limited by this subsection 1 and subsection 3 or act to preempt or nullify such ordinances and regulations relating to the establishment or enforcement of standards or requirements as limited by this subsection 1 and subsection 3.

2. Nothing herein is intended to diminish or detract from the existing powers of a city, town, village, municipality or county under this Constitution. This Section shall be liberally construed to promote the public policy of local control by local government. A city or county which has adopted a charter for its own government may amend that charter as permitted by the Constitution to provide for the exercise of the power set forth in this Section, if such power is currently limited or denied by its charter. However, nothing herein shall be interpreted or applied to authorize a city, town, village, municipality or county to enforce any ordinance or regulation enacted under the authority of this Section in a manner that is in conflict with federal law.

3. As used in this Section, an ordinance or regulation which establishes and enforces standards or requirements relating to "a workplace, employment, affordable housing, predatory lending, safety, or environmental matter" is limited to mean:

- (1) provision of a minimum or living wage that exceeds any in state law or state regulation;
- (2) provision of paid or unpaid days off or leave from work for sickness or illness, vacation, or personal or familial necessity that exceed any in state law or state regulation;
- (3) provision of notice of work schedules and notice of changes to work schedules, or the provision of minimum paid or unpaid rest times or meal periods during work shifts or time off between work shifts, that exceed any such notice requirements or any rest time or meal period or time off requirements in state law or state regulation;

- (4) provision of prevailing wages for construction of local government public works funded in whole or part by local government funds or for construction of projects using a local government grant, tax abatement, or tax credit, that exceed any in state law or state regulation;
- (5) provision of qualification standards for bidding and selection for procurements and contracts for services to a local government or for construction of local government public works funded in whole or part by local government funds or for construction of projects using a local government grant, tax abatement, or tax credit, including requirements relating to past performance, compliance with local, state, and federal laws, business integrity, financial dependability, the provision of wages and benefits, participation in an apprenticeship program, employee training and safety, and non-discrimination, that are stricter than any such qualification standards in state law or state regulation;
- (6) limits and restrictions to the amount of rent and fees to be charged for privately-owned single-family or multiple-unit residential rental property;
- (7) limits and restrictions on interest rates and fees of payday loans and installment loans at rates and fees lower than those under any state law and state regulation;
- (8) limits and restrictions on the locations of payday loan and installment loan businesses;
- (9) licensing of mechanical and electrical contractors and workers performing mechanical and electrical work, which set qualifications that are more demanding than any under state law or state regulation;
- (10) limits and restrictions on the use of water by and the handling and disposal of waste of concentrated animal feeding operations involving poultry or livestock that are more stringent than those under state law or state regulation; or,
- (11) limits and restrictions on the foreign ownership of farmland that are more stringent than those under state law or state regulation.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-044)**

Subject

Initiative petition from Richard Speidel regarding a proposed constitutional amendment to Article VI. (Received January 18, 2023)

Date

February 7, 2023

Description

This proposal would amend Article VI of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Gina Chiala, Executive Director, Attorney, Heartland Center for Jobs and Freedom provided information to the State Auditor's office.

Amy Blouin, President and CEO, Missouri Budget Project provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated this petition has an unknown impact to their department. Subdivision (11) regarding foreign owned farm land could impact MDA staff and resources depending on what ordinances are enacted.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated no impact.

Officials from the **Department of Commerce and Insurance** indicated that this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated the proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VI.

Officials from the **Department of Revenue** indicated this initiative petition will not have an impact on their department.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact as a result of this initiative petition.

Officials from the **Governor's office** indicated this proposal relating to local government ordinances and regulations does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated this initiative petition would allow ordinances stricter than state law as related to workforce, employment, predatory lending, affordable housing, safety, or environment. As such, the initiative could have a negative fiscal impact on their department, the extent of which is unknown.

Officials from the **Department of Transportation** indicated there is no fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to local government ordinances and regulations does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. They estimate \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated due to the exemption of county employees in subsection 1 as well as the county's existing charter status, they estimate no financial impact from this initiative petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St Louis County** indicated this initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated this legislation would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated they believe because of their political subdivision status it will have not an impact on their college directly. Local governments enacting minimum wage regulations or other employee benefit requirements could indirectly affect the college's cost structure; however, the effects cannot be determined at this time.

Officials from the **Missouri State Lottery Commission** indicated no fiscal impact.

Officials from the **Missouri State Tax Commission** indicated this initiative petition will have no fiscal impact on their commission.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their commission. The proposed Article VI, Section 1, paragraph 1 specifically excludes employees of the state, so the potential impact of the petition would not apply to their commission.

Officials from the **Missouri Ethics Commission** indicated the initiative petition does not have fiscal impact on their commission.

Officials from the **Kansas City Board of Police Commissioners** indicated the Kansas City Police Department are employees of the state, so this petition would not apply to them.

Officials from the **St. Louis County Board of Elections** indicated this will have no impact on their board.

Officials from the **Kansas City Board of Election Commissioners** indicated they see no material fiscal impact with this petition.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund of Missouri** indicated no impact.

Officials from the **State Auditor's office** indicated no fiscal impact.

Officials from the **Missouri Gaming Commission** indicated this petition will have no fiscal impact on their commission.

Gina Chiala, Executive Director, Attorney, Heartland Center for Jobs and Freedom provided the following information:



HEARTLAND CENTER FOR JOBS & FREEDOM

January 23, 2023

State Auditor's Office
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102
Email: moaudit@auditor.mo.gov

Re: 2024-044 to 2024-049.

I write regarding the fiscal impact of petitions 2024-044 to 2024-049.

My name is Gina Chiala and I have been practicing law for sixteen years, I am the Executive Director of a nonprofit organization that enforces the rights of low-wage workers, and I have worked on social justice campaigns at the local, state, and national levels throughout my career.

Petitions 2024-044 to 2024-049 would empower local voters and local governments in new ways, but if passed, no action would be required or compelled of local governments. Indeed, any future choices made by voters or their local elected representatives would need to be evaluated individually by those voters and leaders. Speculation about those choices is impossible and inappropriate for the fiscal note for these petitions.

Petitions 2024-044 to 2024-049 would have no impact on revenues or expenses by state or local governments.

Thank you for your attention to this correspondence and for your ongoing work educating voters about initiative petitions they may consider.

Sincerely,

Gina Chiala
Executive Director
Lead Attorney
Cell: 816-585-7786
Office: 816-278-1094
ginachiala@jobsandfreedom.org

Amy Blouin, President and CEO, Missouri Budget Project indicated Missouri Budget Project has assessed recently submitted initiative petitions 2024-044 through 2024-049 and determined that there is no fiscal impact of the measures. If approved by voters, the measures would protect the ability of cities, towns, villages, municipalities, and counties to enact and enforce ordinances or regulations related to workplace, employment, affordable housing, predatory lending, safety, and environmental matters. The petitions protect local control over these policies, but do not require cities, towns, villages, municipalities, and counties to enact any of the policies. As a result, the petitions have no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings from this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

RECEIVED

JAN 13 2023

STATE AUDITORS OFFICE

ELECTIONS DIVISION
(573) 751-2301

January 13, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII (2024-043)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Frederic Steinbach on January 12, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

STAPLE
HERE

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

County _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:

Page No. _____

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

RECEIVED
2023 JAN 12 PM 2:54
John R. Ashcroft

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	Signature	Date Signed	Registered Voting Address	Zip Code	Cong. District	Printed First and Last Name
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. _____

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting eight new Sections to be known as Article VIII, Sections 24, 24a, 25, 26, 27, 28, 29, and 30.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting eight new Sections to be known as Article VIII, Sections 24, 24a, 25, 26, 27, 28, 29, and 30 to read as follows:

Section 24. 1. Prior to the certification of the election results, each election authority shall, at a minimum, undertake a manual audit of randomly selected precincts which shall equal the greater of: 5% of all election precincts within the election authority's jurisdiction, one precinct, or any number required by law. No such audit shall be performed, conducted, or overseen by any non-governmental entity. All ballots cast at such election by valid registered voters in such precincts shall be subject to the manual audit. All ballots cast but not counted for any reason shall additionally be subject to a separate manual review, but the results of such separate review shall not be used to impact any election result absent a final judgment of a court of competent jurisdiction or pursuant to any recount procedure authorized by law. The manual audit shall be open to the public, be completed within fourteen (14) days of the conclusion of the election, and results from the manual audit shall be publicly available within two (2) days after its completion. If, based on the manual audit, the election authority finds evidence of errors in the original tabulation that would change the result of any election or exceed a threshold established by law, the manual audit shall be converted to a full and binding manual recount of all ballots in that election. Each election authority shall report with documentation to the secretary of state, at least once every four years, demonstrating that the election authority conducted at a minimum the manual audit required in this section.

Section 24a. 1. Subject to appropriation and upon request by an election authority, the secretary of state shall provide technical assistance and recommended guidelines for the management, administration, and accuracy of voter rolls and registrations maintained and used by any election authority, including but limited to signature reviews and removing deceased individuals from the voter rolls, and may provide funding assistance to election authorities.

2. Subject to appropriation and federal law, election authorities shall update all voter rolls which such election authority has control over, upon the proper notification by a state or federal agency of any voter who is not a qualified registered voter in the jurisdiction of such election authority, including deceased individuals.

Section 25. 1. All established political parties in the state shall have a right to have candidates seeking the established political party's nomination for public office appear on the established political party's primary election ballot, and to have their nominee(s) for public office appear on the general election ballot. For purposes of this Section, "established political party" shall mean a political party which, at either of the last two general elections, polled for its candidate for any statewide office more than two percent of the entire vote cast for the office.

2. Any group of persons desiring to form a new political party throughout the state, which shall include being formed for all districts and counties in which the party may have nominations, shall file a petition with the secretary of state which shall be signed by at least ten thousand registered voters of the state obtained at large.

3. All established political parties in the state will retain their established political party status unless such party at any two consecutive general elections fails to poll for a candidate for any statewide office more than two percent of the entire vote cast for the office.

4. Any person desiring to be an independent candidate for any office to be filled by voters throughout the state, or for any congressional district, state senate district, state representative district, or circuit judge district, shall file a petition with the secretary of state. Any person desiring to be an independent candidate for any county office shall file a petition with the election authority of the county. If an independent candidate is to be nominated for a statewide office, the petition shall be signed by at least ten thousand registered voters of the state. If the independent candidate is to be nominated for a district or county office, the petition shall be signed by the number of registered voters in the district or county which is equal to at least two percent of the total number of voters who voted at the last election for candidates for the office being sought or is equal to ten thousand voters, whichever is less.

Section 26. To ensure the accuracy and integrity of elections, votes in all elections in Missouri shall be cast on paper ballots. Direct Recording Electronic voting machines, which record votes directly into computer memory, with or without Voter Verified Paper Audit Trail printers, shall not be purchased, leased, or used in Missouri elections after December 31, 2024.

Section 27.1. At each primary election, there shall be as many separate ballots as there are established political parties with candidates in the election.

2. In each primary election, each eligible registered voter shall be entitled to receive the ballot of one and only one political party, designated by the voter before receiving his ballot. Each eligible registered voter who participates in a party primary shall be entitled to vote on all questions and for any nonpartisan candidates submitted by political subdivisions and special districts at the primary election. Each eligible registered voter who does not wish to participate in a party primary may vote on all questions and for any nonpartisan candidates submitted by a political subdivision or special district at the primary election. For purposes of this Section "nonpartisan candidate" shall mean a candidate who is not a candidate of any political party and who is running for an office for which party candidates may not run.

3. The candidate who receives the most votes in each race, except in primaries for federal offices and statewide offices under Article IV, shall be declared the winner of the election for that office. If a race has multiple positions, then the candidate who receives the most votes shall be declared the winner of the first position, the candidate receiving the second-most votes shall be declared the winner of the second position, the candidate receiving the third-most votes shall be declared the winner of the third position, and this process shall continue until all open positions are filled in such election.

Section 28. 1. The chair of the county committee, or the city committee of a city not within a county, of each established political party with a candidate on the ballot shall have the exclusive right to designate an observer for any polling place on any day in which votes are being cast who may be present until all ballots are cast, and an observer for each location at which absentee ballots are counted, who may be present while the ballots are being prepared for counting and counted. No later than four business days before the election, the chair shall provide signed designation forms with the names of the designated observers to the local election authority for confirmation of eligibility to serve as an observer. The local election authority, after an observer does not meet the qualifications of subsection 3 of this section, the designating party chair may designate a replacement verifying the eligibility of each designated observer, shall sign off on the designation forms, unless the observer is found not to have the qualifications established by subsection 3 of this section. If the election authority determines that observer and provide the local election authority with the name of the replacement observer before 5:00 p.m. of the Monday preceding the election. The designating chair may substitute observers at his or her discretion during such hours.

2. An independent candidate shall also have the right to designate an observer in the same manner as each political party, except should more than one independent candidate appear on the ballot, the independent candidates shall agree on a single observer per polling place or location referenced in subsection 1 of this section.

3. All persons selected as observers shall only be required to have the same qualifications required by law for election judges.

4. In a non-partisan election, each non-partisan candidate on the ballot shall have the right to designate an observer in the same manner as each political party for each polling place or location at which such candidate appears on the ballot, except should more than three non-partisan candidates appear on the ballot, the non-partisan candidates shall agree on no more than two observers per polling place or location referenced in subsection 1 of this section. The General Assembly shall enact laws to provide for procedures to carry out this subsection 4.

5. For purposes of this section, "observer" shall mean a watcher, challenger, or observer of an election as provided by current or any future law enacted by the General Assembly.

Section 29. 1. Notwithstanding any provision of this Constitution which may be to the contrary, ballot titles and summaries for ballot questions, whether proposed by the General Assembly, or through citizen initiative or referendum, shall be unbiased, fair, and sufficient and shall only include language found in the proposed amendment.

2. Candidates and ballot questions, including ballot titles, appearing on the ballot shall not be changed, altered, added, or removed within eight weeks of the date of an election.

Section 30. If any portion, clause, or phrase of this Amendment is, for any reason, held to be invalid or unconstitutional in a final judgment of a court of competent jurisdiction, the remaining portions, clauses, and phrases shall not be affected, but shall remain in full force and effect.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-043)**

Subject

Initiative petition from Frederic Steinbach regarding a proposed constitutional amendment to Article VIII. (Received January 13, 2023)

Date

February 2, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, the **Clay County Board of Election Commissioners**, and the **State Auditor's Office**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department has no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated this petition would amend provisions relating to paper ballots. Section 26 would seem to mandate paper ballots for all elections in the state. All of the other sections deal with county election authorities, precincts, political parties, state and federal offices, and primary and general elections. The assumption is that it wouldn't apply to elections beyond those discussed. Would the state really ban elections conducted by a show of hands, voice vote, or by acclamation for the Missouri House Speaker or the local PTA? Should such a provision not be required; the cost estimate would be zero.

The funding source will be from General Revenue if such provision is required the Department of Labor and Industrial Relations to implement. Therefore they estimate it would need an annual cost of \$5,000 to \$5,253.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate an impact.

Officials from the **Governor's office** indicated this proposal relating to elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated no fiscal impact on their department.

Officials from the **Department of Transportation** indicated this proposed initiative petition would have no fiscal impact on their department or MHTC.

Officials from the **Office of Administration** indicated this proposal relating to elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered

fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over 5.8 million was spent to publish the full text of the measures for the August and November elections. The SOS estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Boone County** indicated the Boone County Clerk's Office estimates no additional costs or savings.

Officials from **Clay County** indicated they estimate the cost of this petition as follows:

- ~\$5,000 per primary and general elections, or \$10,000 every even year, to conduct the manual audits from Section 24.1.
- ~\$5,000 per primary election to print extra ballots for non-partisan matters only.
- No effect from the independent candidate petition provision in 25.4 as under the County Constitution all candidates are nonpartisan.

Officials from **Greene County** indicated in reviewing initiative petition 24-043 it has been determined there will be an increased cost to the County of Greene if voters vote to amend Article VIII. Section 24 is the only section of the sections in Article VIII where a cost increase is anticipated.

Section 24:

Currently a manual hand-counting audit is performed after each election for no less than 5% of all voting precincts in any election. In a general election, five separate contests on the ballot are randomly selected to be manually counted. The language in Section 24 appears to require all contests on the ballot to be hand counted.

In analyzing the estimated cost for this petition, they looked at the costs to complete a manual count for the August 2022 and November 2022. There was no significant cost increase for the April election with this measure.

August 2022

In August 2022, it took 10 election judges (5 bi-partisan teams) a total of seven hours (per team) to complete the manual recount for 5 precincts for 5 contests. This cost was approximately \$857.50.

The average Greene County ballot in August 2022 had a total of 12 contests and ballot issues on the ballot.

7 hours divided by 5 contests equals 1.4 hours per contest. 1.4 hours per contest multiplied by 12 contests equals 16.8 hours. 16.8 x 10 election judges equals 168 hours in total. It is important to note their hourly rate has now increased to \$14.75 (effective January 1, 2023) from \$12.25 (2022 hourly rate). Total estimated cost with this formula: \$2,478.

August Primary Estimated Cost Increase: \$1,620.50

November 2022

In November 2022, it took 10 election judges (5 bi-partisan teams) approximately 126 hours total to complete the manual recount for 5 precincts for 5 contests. This cost was \$1,543.50.

The average Greene County ballot in November 2022 had a total of 25 contests and ballot issues on the ballot.

126 hours divided by 5 contests equals 25.2 hours per contest. 25.2 hours per contest multiplied by 25 contests equals 630 hours. It is important to note their hourly rate has now increased to \$14.75 (effective January 1, 2023) from \$12.25 (November 2022 hourly rate). Total estimated cost with this formula: \$9,292.50

November General Estimated Cost Increase: \$7,749.00

The following total estimated cost increase is the sum of 3 elections during a general election year when a minimum of 3 public elections would be held.

Total General Election Year Estimated Cost Increase: \$9,369.50

Officials from **St. Louis County** indicated this initiative petition should have no fiscal impact on their county.

Officials from the **City of Kansas City** indicated the amendment could have a small negative fiscal impact on their City because the election authority could pass the costs of the manual audit on to their City.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated this initiative does not appear to directly impact their College from a cost or revenue perspective. However, changes to the make-up of the legislature as a result of any initiative could have positive or negative effects on their college.

Officials from the **St. Louis County Board of Elections** indicated this will have no impact on their Board.

Officials from the **Board of Election Commissioners City of St. Louis** indicated audit procedures and voter roll maintenance would have no fiscal impact.

Currently the Election Board uses DREs as ADA voting machines. Under current state laws these DREs will be illegal come January 1, 2024; while replacement of DREs will have a fiscal impact, the Board has funding for a new voting system.

Officials from the **Kansas City Board of Election Commissioners** indicated if this petition were to become law, temporary expense and staff overtime could increase by \$20,000 or more, per election, by recounting all the races on the 5% of the ballots selected for testing. Currently, they only recount a sample of those races. This petition doesn't address this issue. Also, recounting all the races on a long ballot could jeopardize them certifying in a timely manner.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board of Election Commissioners** indicated the following:

Section 24.1

If a full manual recount of the entire election were required a massive number of part-time workers would need to be brought in to conduct the manual recount. A separate place would need to be rented to accommodate those part-time workers and transportation and security for ballots arranged.

Part-time Workers – Large Election	\$12,000.00
Rental for 6-7 days	\$ 5,000.00
Security & Transportation of Ballots	\$ 2,500.00
April, August & November Elections of Even-Numbered Years	\$19,500.00
	(per election)
Total Per Even-Number Year	\$58,500.00

Officials from the **State Auditor's office** indicated no fiscal impact.

The State Auditor's office did not receive a response from **Adair County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, St. Louis County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State governmental entities estimate no costs or savings for this proposal. Local governmental entities estimate costs could increase by at least \$40,000 each municipal general election, \$51,000 each primary election, and \$52,000 each general election.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 09 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 12 (2024-042)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 9, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

1.	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending section 290.502 and enacting fifteen new sections to be known as sections 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [\$8.60] \$13.75 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [\$.85] \$1.25 per hour, effective January 1 of each of the next [four] two years, until it reaches [\$12.00] \$16.25 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.600. As used in sections 290.600 through 290.642:

(1) "Department", Department of Labor and Industrial Relations.

(2) "Director", Director of the Department of Labor and Industrial Relations.

(3) "Domestic violence", as such term is defined in section 455.010.

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) "Sexual assault", as such term is defined in section 455.010.

(13) "Stalking", as such term is defined in section 455.010.

(14) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall

be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written

statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually

agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an

ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. All or any portion of the earned paid sick time requirements of sections 290.600 through 290.642 shall not apply to employees covered by a bona fide collective bargaining agreement to the extent that such requirements are expressly waived in the collective bargaining agreement in clear and unambiguous terms.

4. With the exception noted in subsection 3, any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-042)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 9, 2023)

Date

January 27, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department has no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no fiscal impact on their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated this proposal might impact their department however, they defer to the Office of Administration to respond.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated by their department.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact. The state seems excluded from section 3 and we are not included in the definition of an employer in the new sections.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their department because the proposed initiative specifically exempts the state.

Officials from the **Department of Transportation** indicated this initiative petition would have no fiscal impact on their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$13.75 per hour. This rate would increase by \$1.25 per hour each year of the next two years until reaching \$16.25 per hour by January 1, 2027.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 3,495.00
2026	\$ 9,215.00
2027	\$ 97,725.00

Raising the minimum wage above \$15 per hour pulls more employees into the cost estimate, which makes calendar year 2027 much higher.

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered

fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated this petition does not apply to county governments under 290.502.4 for minimum wage and the contemplated new Section 6 for sick leave regarding the definition of an employer. Clay County provides more generous sick leave than this measure as well.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Chapter 290, RSMo.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the petition request is generally lower than their current compensation structure and therefore its passage appears to have minimal effect on their college. That being said, increases calculated by Consumer Price Index or other indexed methods may affect them in the future and that cannot be determined at this time.

Officials from the **Missouri Lottery** indicated no impact.

Officials from the **State Tax Commission** indicated this initiative petition will not have a fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to the Missouri Veterans Commission. However, given the proposed changes to section 290.502 RSMo, they would note that those changes would make it more difficult for state agencies to recruit new employees. As to the remainder of the petition, the definition for the term "employer" found in the proposed section 290.600(6) specifically excludes the state and its agencies, so the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact from this petition.

Officials from the **Board of Election Commissioners City of St. Louis** indicated the current lowest paid election board employee earns \$15/hour. This petition contemplates raising the minimum wage incrementally until in 2027, where the minimum wage would be \$16.25/hour (cost of living adjustments would occur thereafter).

Excluding the incremental raises, if the approximately 5 individuals earning \$15/hour were to receive \$16.25/hour, this would result in a yearly increase by the election board of \$13,000.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition has no material fiscal impact on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their Board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated since this proposed initiative petition does not apply to government entities, this would have no fiscal impact on their office.

Officials from the **Missouri Gaming Commission** indicated this initiative petition will not have any fiscal impact on their agency.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

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^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

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^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

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January 14, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposal Related to Chapter 290, RSMo, Petition 2024-025-042

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany petition 24-025-042 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

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- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

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⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

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¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

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<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

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²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

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²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

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³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

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⁴⁰ *Id.* at 28.

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⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was resubmitting the information previously submitted for initiative petitions 24-016 through 24-023 for initiative petitions 24-031 through 24-042. Petitions 24-031 through petition 24-042 all contain the language from petitions 24-016 through 24-019 in regards to the minimum wage. They do not believe the fiscal impact of petitions 24-031 through 24-042 will be different from 24-016 through 24-019, so their submission is the same. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Kansas City Board of Election Commissioners, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 09 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 11 (2024-041)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 9, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending section 290.502 and enacting fifteen new sections to be known as sections 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [\$8.60] \$14.00 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [\$.85] \$1.00 per hour, effective January 1 of each of the next [four] two years, until it reaches [\$12.00] \$16.00 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.600. As used in sections 290.600 through 290.642:

(1) "Department", Department of Labor and Industrial Relations.

(2) "Director", Director of the Department of Labor and Industrial Relations.

(3) "Domestic violence", as such term is defined in section 455.010.

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) "Sexual assault", as such term is defined in section 455.010.

(13) "Stalking", as such term is defined in section 455.010.

(14) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall

be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written

statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually

agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an

ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. Any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-041)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 9, 2023)

Date

January 27, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department has no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no fiscal impact on their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated this proposal might impact their department however, they defer to the Office of Administration to respond.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated by their department.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact. The state seems excluded from section 3 and we are not included in the definition of an employer in the new sections.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their department because the proposed initiative specifically exempts the state.

Officials from the **Department of Transportation** indicated this initiative petition excludes the state from the requirements of the proposed new law. Therefore there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$14.00 per hour. This rate would increase by \$1.00 per hour each year of the next two years until reaching \$16.00 per hour by January 1, 2027.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 4,639.00
2026	\$ 9,215.00
2027	\$ 60,426.00

Raising the minimum wage above \$15 per hour pulls more employees into the cost estimate, which makes calendar year 2027 much higher.

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each

year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated this petition does not apply to county governments under 290.502.4 for minimum wage and the contemplated new Section 6 for sick leave regarding the definition of an employer. Clay County provides more generous sick leave than this measure as well.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Chapter 290, RSMo.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the petition request is generally lower than their current compensation structure and therefore its passage appears to have minimal effect on their college. That being said, increases calculated by Consumer Price

Index or other indexed methods may affect them in the future and that cannot be determined at this time.

Officials from the **Missouri Lottery** indicated there is no impact to their agency.

Officials from the **State Tax Commission** indicated this initiative petition will not have a fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to the Missouri Veterans Commission. However, given the proposed changes to section 290.502 RSMo, they would note that those changes would make it more difficult for state agencies to recruit new employees. As to the remainder of the petition, the definition for the term "employer" found in the proposed section 290.600(6) specifically excludes the state and its agencies, so the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact from this petition.

Officials from the **Board of Election Commissioners City of St. Louis** indicated the current lowest paid election board employee earns \$15/hour. This petition contemplates raising the minimum wage incrementally until in 2027, where the minimum wage would be \$16/hour (cost of living adjustments would occur thereafter).

Excluding the incremental raises, if the approximately 5 individuals earning \$15/hour were to receive \$16/hour, this would result in a yearly increase by the election board of \$10,400.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition has no material fiscal impact on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their Board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated since this proposed initiative petition does not apply to government entities, this would have no fiscal impact on their office.

Officials from the **Missouri Gaming Commission** indicated this initiative petition will not have any fiscal impact on their agency.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided the following information:



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January 14, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposal Related to Chapter 290, RSMo, Petition 2024-025-042

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany petition 24-025-042 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

Headquarters

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Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

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¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

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²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

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³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

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³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

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³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

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⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

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Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was resubmitting the information previously submitted for initiative petitions 24-016 through 24-023 for initiative petitions 24-031 through 24-042. Petitions 24-031 through petition 24-042 all contain the language from petitions 24-016 through 24-019 in regards to the minimum wage. They do not believe the fiscal impact of petitions 24-031 through 24-042 will be different from 24-016 through 24-019, so their submission is the same. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

7

<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Kansas City Board of Police Commissioners, the Metropolitan Police Department - City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 09 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 10 (2024-040)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 9, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending section 290.502 and enacting fifteen new sections to be known as sections 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [\$8.60] \$14.00 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [\$.85] \$1.00 per hour, effective January 1 of each of the next [four] two years, until it reaches [\$12.00] \$16.00 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.600. As used in sections 290.600 through 290.642:

(1) "Department", Department of Labor and Industrial Relations.

(2) "Director", Director of the Department of Labor and Industrial Relations.

(3) "Domestic violence", as such term is defined in section 455.010.

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) "Sexual assault", as such term is defined in section 455.010.

(13) "Stalking", as such term is defined in section 455.010.

(14) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall

be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written

statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually

agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an

ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. All or any portion of the earned paid sick time requirements of sections 290.600 through 290.642 shall not apply to employees covered by a bona fide collective bargaining agreement to the extent that such requirements are expressly waived in the collective bargaining agreement in clear and unambiguous terms.

4. With the exception noted in subsection 3, any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-040)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 9, 2023)

Date

January 27, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department has no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no fiscal impact on their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated this proposal might impact their department however, they defer to the Office of Administration to respond.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated by their department.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact. The state seems excluded from section 3 and we are not included in the definition of an employer in the new sections.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their agency because it specifically exempts the state.

Officials from the **Department of Transportation** indicated this initiative petition excludes the state from the requirements of the proposed new law. Therefore there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$14.00 per hour. This rate would increase by \$1.00 per hour each year of the next two years until reaching \$16.00 per hour by January 1, 2027.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 4,639.00
2026	\$ 9,215.00
2027	\$ 60,426.00

Raising the minimum wage above \$15 per hour pulls more employees into the cost estimate, which makes calendar year 2027 much higher.

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered

fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated this petition does not apply to county governments under 290.502.4 for minimum wage and the contemplated new Section 6 for sick leave regarding the definition of an employer. Clay County provides more generous sick leave than this measure as well.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Chapter 290, RSMo.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the petition request is generally lower than their current compensation structure and therefore its passage appears to have minimal effect on their college. That being said, increases calculated by Consumer Price Index or other indexed methods may affect them in the future and that cannot be determined at this time.

Officials from the **Missouri Lottery** indicated there is no impact to their agency.

Officials from the **State Tax Commission** indicated this initiative petition will not have a fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to the Missouri Veterans Commission. However, given the proposed changes to section 290.502 RSMo, they would note that those changes would make it more difficult for state agencies to recruit new employees. As to the remainder of the petition, the definition for the term "employer" found in the proposed section 290.600(6) specifically excludes the state and its agencies, so the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.600, the Kansas City, Missouri Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact from this petition.

Officials from the **Board of Election Commissioners City of St. Louis** indicated the current lowest paid election board employee earns \$15/hour. This petition contemplates raising the minimum wage incrementally until in 2027, where the minimum wage would be \$16/hour (cost of living adjustments would occur thereafter).

Excluding the incremental raises, if the approximately 5 individuals earning \$15/hour where to receive \$16/hour, this would result in a yearly increase by the election board of \$10,400.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition has no material fiscal impact on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their Board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated since this proposed initiative petition does not apply to government entities, this would have no fiscal impact on their office.

Officials from the **Missouri Gaming Commission** indicated this initiative petition will not have any fiscal impact on their agency.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided the following information:



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January 14, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposal Related to Chapter 290, RSMo, Petition 2024-025-042

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany petition 24-025-042 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

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Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

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- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

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¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

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²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

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²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

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²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

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³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

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³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

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³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

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⁴⁰ *Id.* at 28.

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Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was resubmitting the information previously submitted for initiative petitions 24-016 through 24-023 for initiative petitions 24-031 through 24-042. Petitions 24-031 through petition 24-042 all contain the language from petitions 24-016 through 24-019 in regards to the minimum wage. They do not believe the fiscal impact of petitions 24-031 through 24-042 will be different from 24-016 through 24-019, so their submission is the same. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 09 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 9 (2024-039)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 9, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending section 290.502 and enacting fifteen new sections to be known as sections 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [\$8.60] \$13.75 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [\$.85] \$1.25 per hour, effective January 1 of each of the next [four] two years, until it reaches [\$12.00] \$16.25 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.600. As used in sections 290.600 through 290.642:

(1) "Construction", includes construction, reconstruction, improvement, enlargement, alteration, painting and decorating, or major repair, and does not include maintenance.

(2) "Construction industry", includes any employer whose employees conduct or perform construction as a principal component of the employer's business or enterprise.

(3) "Department", Department of Labor and Industrial Relations.

(4) "Director", Director of the Department of Labor and Industrial Relations.

(5) "Domestic violence", as such term is defined in section 455.010.

(6) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(7) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550;

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8); or

(M) Any individual employed in the construction industry and engaged in construction work, of fixed works, buildings, or structures or heavy and highway construction work, on the site of a building or construction job.

(8) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(9) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(10) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(11) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(12) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(13) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(14) "Sexual assault", as such term is defined in section 455.010.

(15) "Stalking", as such term is defined in section 455.010.

(16) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall

not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement,

with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information,

domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. Any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-039)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 9, 2023)

Date

January 27, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department has no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no fiscal impact on their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated this proposal might impact their department however, they defer to the Office of Administration to respond.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated by their department.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact. The state seems excluded from section 3 and we are not included in the definition of an employer in the new sections.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their department.

Officials from the **Department of Transportation** indicated this initiative petition excludes the state from the requirements of the proposed new law. Therefore there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$13.75 per hour. This rate would increase by \$1.25 per hour each year of the next two years until reaching \$16.25 per hour by January 1, 2027.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 3,495.00
2026	\$ 9,215.00
2027	\$ 97,725.00

Raising the minimum wage above \$15 per hour pulls more employees into the cost estimate, which makes calendar year 2027 much higher.

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered

fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated this petition does not apply to county governments under 290.502.4 for minimum wage and the contemplated new Section 8 for sick leave regarding the definition of an employer. Clay County provides more generous sick leave than this measure as well.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Chapter 290, RSMo.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the petition request is generally lower than their current compensation structure and therefore its passage appears to have minimal effect on their college. That being said, increases calculated by Consumer Price Index or other indexed methods may affect them in the future and that cannot be determined at this time.

Officials from the **Missouri Lottery** indicated there is no impact to their agency.

Officials from the **State Tax Commission** indicated this initiative petition will not have a fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to the Missouri Veterans Commission. However, given the proposed changes to section 290.502 RSMo, they would note that those changes would make it more difficult for state agencies to recruit new employees. As to the remainder of the petition, the definition for the term "employer" found in the proposed section 290.600(8) specifically excludes the state and its agencies, so the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.600, the Kansas City, Missouri Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact from this petition.

Officials from the **Board of Election Commissioners City of St. Louis** indicated the current lowest paid election board employee earns \$15/hour. This petition contemplates raising the minimum wage incrementally until in 2027, where the minimum wage would be \$16.25/hour (cost of living adjustments would occur thereafter).

Excluding the incremental raises, if the approximately 5 individuals earning 15/hour were to receive \$16.25/hour, this would result in a yearly increase by the election board of \$13,000.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition has no material fiscal impact on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their Board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated since this proposed initiative petition does not apply to government entities, this would have no fiscal impact on their office.

Officials from the **Missouri Gaming Commission** indicated this initiative petition will not have any fiscal impact on their agency.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided the following information:



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January 14, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposal Related to Chapter 290, RSMo, Petition 2024-025-042

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany petition 24-025-042 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

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- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

⁹ *Fact Sheet: The Families First Coronavirus Response Act (FFCRA) & the Coronavirus Aid, Relief and Economic Security (CARES) Act*, A Better Balance (Jan. 8, 2021), <https://www.abetterbalance.org/resources/federal-coronavirus-proposal-the-families-first-coronavirus-response-act-h-r-6201/>.

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¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

²¹ Supriya Kumar et al., *Policies to Reduce Influenza in the Workplace: Impact Assessments Using an Agent-Based Model*, 103 Am. J. Pub. Health 1406, 1408 (Aug. 2013), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3893051/pdf/AJPH.2013.301269.pdf>.

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²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

²⁷ Steven Sumner et al., *Factors Associated with Food Workers Working While Experiencing Vomiting or Diarrhea*, 74 J. Food Protection 215 (2011), available at http://www.cdc.gov/nceh/ehs/ehsnet/Docs/JFP_ill_food_workers.pdf.

²⁸ Tom W. Smith & Jibum Kim, *Paid Sick Days: Attitudes and Experiences*, Nat'l Opinion Res. Ctr. at U. of Chi. (June 2010), <https://www.issuelab.org/resource/paid-sick-days-attitudes-and-experiences.html>.

²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

³⁹ Appelbaum & Milkman, *supra* note 34, at 17.

⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was resubmitting the information previously submitted for initiative petitions 24-016 through 24-023 for initiative petitions 24-031 through 24-042. Petitions 24-031 through petition 24-042 all contain the language from petitions 24-016 through 24-019 in regards to the minimum wage. They do not believe the fiscal impact of petitions 24-031 through 24-042 will be different from 24-016 through 24-019, so their submission is the same. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



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January 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
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RECEIVED

JAN 09 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 8 (2024-038)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 9, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending section 290.502 and enacting fifteen new sections to be known as sections 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [\$8.60] \$13.75 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased [each year] by [\$.85] \$1.25 per hour, [effective January 1 of each of the next four years, until it reaches \$12.00 per hour] to \$15.00 per hour, effective January 1, [2023] 2026. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2027, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.600. As used in sections 290.600 through 290.642:

(1) "Department", Department of Labor and Industrial Relations.

(2) "Director", Director of the Department of Labor and Industrial Relations.

(3) "Domestic violence", as such term is defined in section 455.010.

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) "Sexual assault", as such term is defined in section 455.010.

(13) "Stalking", as such term is defined in section 455.010.

(14) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall

be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written

statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually

agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an

ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. Any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-038)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 9, 2023)

Date

January 27, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department has no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no fiscal impact on their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated this proposal might impact their department however, they defer to the Office of Administration to respond.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated by their department.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact. The state seems excluded from section 3 and we are not included in the definition of an employer in the new sections.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their agency because it specifically exempts the state from the definition of employer.

Officials from the **Department of Transportation** indicated this initiative petition excludes the state from the requirements of the proposed new law. Therefore there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$13.75 per hour. This rate would increase by \$1.25 per hour by January 1, 2026 to \$15.00 per hour.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 3,495.00
2026	\$ 9,215.00

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated this petition does not apply to county governments under 290.502.4 for minimum wage and the contemplated new Section 6 for sick leave regarding the definition of an employer. Clay County provides more generous sick leave than this measure as well.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Chapter 290, RSMo.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the petition request is generally lower than their current compensation structure and therefore its passage appears to have minimal effect on their college. That being said, increases calculated by Consumer Price Index or other indexed methods may affect them in the future and that cannot be determined at this time.

Officials from the **Missouri Lottery** indicated no fiscal impact to their agency. Current hourly wages are \$15 or higher.

Officials from the **State Tax Commission** indicated this initiative petition will not have a fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to the Missouri Veterans Commission. However, given the proposed changes to section 290.502 RSMo, they would note that those changes would make it more difficult for state agencies to recruit new employees. As to the remainder of the petition, the definition for the term "employer" found in the proposed section 290.600(6) specifically excludes the state and its agencies, so the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.600, the Kansas City, Missouri Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact from this petition.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no fiscal impact; the lowest paid election board employee makes \$15/hour.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition has no material fiscal impact on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their Board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated since this proposed initiative petition does not apply to government entities, this would have no fiscal impact on their office.

Officials from the **Missouri Gaming Commission** indicated this initiative petition will not have any fiscal impact on their agency.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided the following information:



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January 14, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposal Related to Chapter 290, RSMo, Petition 2024-025-042

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany petition 24-025-042 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

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Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

⁹ *Fact Sheet: The Families First Coronavirus Response Act (FFCRA) & the Coronavirus Aid, Relief and Economic Security (CARES) Act*, A Better Balance (Jan. 8, 2021), <https://www.abetterbalance.org/resources/federal-coronavirus-proposal-the-families-first-coronavirus-response-act-h-r-6201/>.

¹⁰ Stefan Pichler et al., *COVID-19 Emergency Sick Leave Has Helped Flatten the Curve in the United States*, 39 Health Affairs 2197, 2202 (2020), available at <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>.

¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

²¹ Supriya Kumar et al., *Policies to Reduce Influenza in the Workplace: Impact Assessments Using an Agent-Based Model*, 103 Am. J. Pub. Health 1406, 1408 (Aug. 2013), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3893051/pdf/AJPH.2013.301269.pdf>.

²² Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, Nat'l Bureau of Econ. Res. (Aug. 2016), <https://www.nber.org/papers/w22530.pdf>.

²³ Human Impact Partners & S.F. Dep't of Pub. Health, *A Health Impact Assessment of the Healthy Families Act of 2009* (June 11, 2009), http://go.nationalpartnership.org/site/DocServer/WF_PSD_HFA_HealthImpactAssessment_HIA_090611.pdf?docID=5101.

²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

²⁷ Steven Sumner et al., *Factors Associated with Food Workers Working While Experiencing Vomiting or Diarrhea*, 74 J. Food Protection 215 (2011), available at http://www.cdc.gov/nceh/ehs/ehsnet/Docs/JFP_ill_food_workers.pdf.

²⁸ Tom W. Smith & Jibum Kim, *Paid Sick Days: Attitudes and Experiences*, Nat'l Opinion Res. Ctr. at U. of Chi. (June 2010), <https://www.issuelab.org/resource/paid-sick-days-attitudes-and-experiences.html>.

²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

³⁹ Appelbaum & Milkman, *supra* note 34, at 17.

⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was resubmitting the information previously submitted for initiative petitions 24-016 through 24-023 for initiative petitions 24-031 through 24-042. Petitions 24-031 through petition 24-042 all contain the language from petitions 24-016 through 24-019 in regards to the minimum wage. They do not believe the fiscal impact of petitions 24-031 through 24-042 will be different from 24-016 through 24-019, so their submission is the same. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
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ELECTIONS DIVISION
(573) 751-2301

January 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 09 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 7 (2024-037)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 9, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____
Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending section 290.502 and enacting fifteen new sections to be known as sections 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [\$8.60] \$13.75 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased [each year] by [\$.85] \$1.25 per hour, [effective January 1 of each of the next four years, until it reaches \$12.00 per hour] to \$15.00 per hour, effective January 1, [2023] 2026. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2027, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.600. As used in sections 290.600 through 290.642:

(1) "Department", Department of Labor and Industrial Relations.

(2) "Director", Director of the Department of Labor and Industrial Relations.

(3) "Domestic violence", as such term is defined in section 455.010.

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) "Sexual assault", as such term is defined in section 455.010.

(13) "Stalking", as such term is defined in section 455.010.

(14) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall

be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written

statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually

agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an

ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. All or any portion of the earned paid sick time requirements of sections 290.600 through 290.642 shall not apply to employees covered by a bona fide collective bargaining agreement to the extent that such requirements are expressly waived in the collective bargaining agreement in clear and unambiguous terms.

4. With the exception noted in subsection 3, any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-037)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 9, 2023)

Date

January 27, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department has no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no fiscal impact on their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated this proposal might impact their department however, they defer to the Office of Administration to respond.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated by their department.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact. The state seems excluded from section 3 and we are not included in the definition of an employer in the new sections.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their agency because it specifically exempts the state from the definition of employer.

Officials from the **Department of Transportation** indicated this initiative petition excludes the state from the requirements of the proposed new law. Therefore there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$13.75 per hour. This rate would increase by \$1.25 per hour by January 1, 2026 to \$15.00 per hour.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 3,495.00
2026	\$ 9,215.00

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated this petition does not apply to county governments under 290.502.4 for minimum wage and the contemplated new Section 6 for sick leave regarding the definition of an employer. Clay County provides more generous sick leave than this measure as well.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Chapter 290, RSMo.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the petition request is generally lower than their current compensation structure and therefore its passage appears to have minimal effect on their college. That being said, increases calculated by Consumer Price Index or other indexed methods may affect them in the future and that cannot be determined at this time.

Officials from the **Missouri Lottery** indicated no fiscal impact to their agency. Current hourly wages are \$15 or higher.

Officials from the **State Tax Commission** indicated this initiative petition will not have a fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to the Missouri Veterans Commission. However, given the proposed changes to section 290.502 RSMo, they would note that those changes would make it more difficult for state agencies to recruit new employees. As to the remainder of the petition, the definition for the term "employer" found in the proposed section 290.600(6) specifically excludes the state and its agencies, so the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.600, the Kansas City, Missouri Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact from this petition.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no impact.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition has no material fiscal impact on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their Board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated since this proposed initiative petition does not apply to government entities, this would have no fiscal impact on their office.

Officials from the **Missouri Gaming Commission** indicated this initiative petition will not have any fiscal impact on their agency.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided the following information:



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January 14, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposal Related to Chapter 290, RSMo, Petition 2024-025-042

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany petition 24-025-042 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

⁹ *Fact Sheet: The Families First Coronavirus Response Act (FFCRA) & the Coronavirus Aid, Relief and Economic Security (CARES) Act*, A Better Balance (Jan. 8, 2021), <https://www.abetterbalance.org/resources/federal-coronavirus-proposal-the-families-first-coronavirus-response-act-h-r-6201/>.

¹⁰ Stefan Pichler et al., *COVID-19 Emergency Sick Leave Has Helped Flatten the Curve in the United States*, 39 Health Affairs 2197, 2202 (2020), available at <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>.

¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

²¹ Supriya Kumar et al., *Policies to Reduce Influenza in the Workplace: Impact Assessments Using an Agent-Based Model*, 103 Am. J. Pub. Health 1406, 1408 (Aug. 2013), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3893051/pdf/AJPH.2013.301269.pdf>.

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²³ Human Impact Partners & S.F. Dep't of Pub. Health, *A Health Impact Assessment of the Healthy Families Act of 2009* (June 11, 2009), http://go.nationalpartnership.org/site/DocServer/WF_PSD_HFA_HealthImpactAssessment_HIA_090611.pdf?docID=5101.

²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

²⁷ Steven Sumner et al., *Factors Associated with Food Workers Working While Experiencing Vomiting or Diarrhea*, 74 J. Food Protection 215 (2011), available at http://www.cdc.gov/nceh/ehs/ehsnet/Docs/JFP_ill_food_workers.pdf.

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³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

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³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

³⁹ Appelbaum & Milkman, *supra* note 34, at 17.

⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was resubmitting the information previously submitted for initiative petitions 24-016 through 24-023 for initiative petitions 24-031 through 24-042. Petitions 24-031 through petition 24-042 all contain the language from petitions 24-016 through 24-019 in regards to the minimum wage. They do not believe the fiscal impact of petitions 24-031 through 24-042 will be different from 24-016 through 24-019, so their submission is the same. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 9, 2023

RECEIVED

JAN 09 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 6 (2024-036)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 9, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending section 290.502 and enacting fifteen new sections to be known as sections 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [\$8.60] \$13.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [\$.85] \$.75 per hour, effective January 1 of each of the next [four] two years, until it reaches [\$12.00] \$15.00 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.600. As used in sections 290.600 through 290.642:

(1) "Department", Department of Labor and Industrial Relations.

(2) "Director", Director of the Department of Labor and Industrial Relations.

(3) "Domestic violence", as such term is defined in section 455.010.

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) "Sexual assault", as such term is defined in section 455.010.

(13) "Stalking", as such term is defined in section 455.010.

(14) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall

be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written

statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually

agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an

ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. All or any portion of the earned paid sick time requirements of sections 290.600 through 290.642 shall not apply to employees covered by a bona fide collective bargaining agreement to the extent that such requirements are expressly waived in the collective bargaining agreement in clear and unambiguous terms.

4. With the exception noted in subsection 3, any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-036)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 9, 2023)

Date

January 27, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department has no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no fiscal impact on their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated this proposal might impact their department however, they defer to the Office of Administration to respond.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated by their department.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact. The state seems excluded from section 3 and we are not included in the definition of an employer in the new sections.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their agency because it specifically exempts the state from the definition of employer.

Officials from the **Department of Transportation** indicated this initiative petition excludes the state from the requirements of the proposed new law. Therefore there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$13.50 per hour. This rate would increase by \$0.75 per hour each year of the next two years until reaching \$15.00 per hour by January 1, 2027.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 2,351.00
2026	\$ 5,783.00
2027	\$ 9,215.00

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions

certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated this petition does not apply to county governments under 290.502.4 for minimum wage and the contemplated new Section 6 for sick leave regarding the definition of an employer. Clay County provides more generous sick leave than this measure as well.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Chapter 290, RSMo.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the petition request is generally lower than their current compensation structure and therefore its passage appears to have minimal effect on their college. That being said, increases calculated by Consumer Price Index or other indexed methods may affect them in the future and that cannot be determined at this time.

Officials from the **Missouri Lottery** indicated no fiscal impact to their agency. Current hourly wages are \$15 or higher.

Officials from the **State Tax Commission** indicated this initiative petition will not have a fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to the Missouri Veterans Commission. However, given the proposed changes to section 290.502 RSMo, they would note that those changes would make it more difficult for state agencies to recruit new employees. As to the remainder of the petition, the definition for the term "employer" found in the proposed section 290.600(6) specifically excludes the state and its agencies, so the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.600, the Kansas City, Missouri Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact from this petition.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no impact.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition has no material fiscal impact on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their Board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated since this proposed initiative petition does not apply to government entities, this would have no fiscal impact on their office.

Officials from the **Missouri Gaming Commission** indicated this initiative petition will not have any fiscal impact on their agency.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided the following information:



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January 14, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposal Related to Chapter 290, RSMo, Petition 2024-025-042

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany petition 24-025-042 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

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Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

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- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

⁹ *Fact Sheet: The Families First Coronavirus Response Act (FFCRA) & the Coronavirus Aid, Relief and Economic Security (CARES) Act*, A Better Balance (Jan. 8, 2021), <https://www.abetterbalance.org/resources/federal-coronavirus-proposal-the-families-first-coronavirus-response-act-h-r-6201/>.

¹⁰ Stefan Pichler et al., *COVID-19 Emergency Sick Leave Has Helped Flatten the Curve in the United States*, 39 Health Affairs 2197, 2202 (2020), available at <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>.

¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

²¹ Supriya Kumar et al., *Policies to Reduce Influenza in the Workplace: Impact Assessments Using an Agent-Based Model*, 103 Am. J. Pub. Health 1406, 1408 (Aug. 2013), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3893051/pdf/AJPH.2013.301269.pdf>.

²² Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, Nat'l Bureau of Econ. Res. (Aug. 2016), <https://www.nber.org/papers/w22530.pdf>.

²³ Human Impact Partners & S.F. Dep't of Pub. Health, *A Health Impact Assessment of the Healthy Families Act of 2009* (June 11, 2009), http://go.nationalpartnership.org/site/DocServer/WF_PSD_HFA_HealthImpactAssessment_HIA_090611.pdf?docID=5101.

²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

²⁷ Steven Sumner et al., *Factors Associated with Food Workers Working While Experiencing Vomiting or Diarrhea*, 74 J. Food Protection 215 (2011), available at http://www.cdc.gov/nceh/ehs/ehsnet/Docs/JFP_ill_food_workers.pdf.

²⁸ Tom W. Smith & Jibum Kim, *Paid Sick Days: Attitudes and Experiences*, Nat'l Opinion Res. Ctr. at U. of Chi. (June 2010), <https://www.issuelab.org/resource/paid-sick-days-attitudes-and-experiences.html>.

²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportwAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

³⁹ Appelbaum & Milkman, *supra* note 34, at 17.

⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was resubmitting the information previously submitted for initiative petitions 24-016 through 24-023 for initiative petitions 24-031 through 24-042. Petitions 24-031 through petition 24-042 all contain the language from petitions 24-016 through 24-019 in regards to the minimum wage. They do not believe the fiscal impact of petitions 24-031 through 24-042 will be different from 24-016 through 24-019, so their submission is the same. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 09 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 5 (2024-035)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 9, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending section 290.502 and enacting fifteen new sections to be known as sections 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [\$8.60] \$13.75 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [\$.85] \$1.25 per hour, effective January 1 of each of the next [four] two years, until it reaches [\$12.00] \$16.25 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.600. As used in sections 290.600 through 290.642:

(1) "Department", Department of Labor and Industrial Relations.

(2) "Director", Director of the Department of Labor and Industrial Relations.

(3) "Domestic violence", as such term is defined in section 455.010.

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) "Sexual assault", as such term is defined in section 455.010.

(13) "Stalking", as such term is defined in section 455.010.

(14) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall

be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written

statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually

agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an

ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. Any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-035)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 9, 2023)

Date

January 27, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department has no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no fiscal impact on their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated this proposal might impact their department however, they defer to the Office of Administration to respond.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated by their department.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact. The state seems excluded from section 3 and we are not included in the definition of an employer in the new sections.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their agency because it specifically exempts the state from the definition of employer.

Officials from the **Department of Transportation** indicated this initiative petition excludes the state from the requirements of the proposed new law. Therefore there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$13.75 per hour. This rate would increase by \$1.25 per hour each year of the next two years until reaching \$16.25 per hour by January 1, 2027.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 3,495.00
2026	\$ 9,215.00
2027	\$ 97,725.00

Raising the minimum wage above \$15 per hour pulls more employees into the cost estimate, which makes calendar year 2027 much higher.

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each

year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated this petition does not apply to county governments under 290.502.4 for minimum wage and the contemplated new Section 6 for sick leave regarding the definition of an employer. Clay County provides more generous sick leave than this measure as well.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Chapter 290, RSMo.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the petition request is generally lower than their current compensation structure and therefore its passage appears to have minimal effect on their college. That being said, increases calculated by Consumer Price

Index or other indexed methods may affect them in the future and that cannot be determined at this time.

Officials from the **Missouri Lottery** indicated there is no impact to their agency.

Officials from the **State Tax Commission** indicated this initiative petition will not have a fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to the Missouri Veterans Commission. However, given the proposed changes to section 290.502 RSMo, they would note that those changes would make it more difficult for state agencies to recruit new employees. As to the remainder of the petition, the definition for the term "employer" found in the proposed section 290.600(6) specifically excludes the state and its agencies, so the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.600, the Kansas City, Missouri Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact from this petition.

Officials from the **Board of Election Commissioners City of St. Louis** indicated the current lowest paid election board employee earns \$15/hour. This petition contemplates raising the minimum wage incrementally until in 2027, where the minimum wage would be \$16.25/hour (cost of living adjustments would occur thereafter).

Excluding the incremental raises, if the approximately 5 individuals earning \$15/hour were to receive \$16.25/hour, this would result in a yearly increase by the election board of \$13,000.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition has no material fiscal impact on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their Board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated since this proposed initiative petition does not apply to government entities, this would have no fiscal impact on their office.

Officials from the **Missouri Gaming Commission** indicated this initiative petition will not have any fiscal impact on their agency.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

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January 14, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposal Related to Chapter 290, RSMo, Petition 2024-025-042

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany petition 24-025-042 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

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Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

⁹ *Fact Sheet: The Families First Coronavirus Response Act (FFCRA) & the Coronavirus Aid, Relief and Economic Security (CARES) Act*, A Better Balance (Jan. 8, 2021), <https://www.abetterbalance.org/resources/federal-coronavirus-proposal-the-families-first-coronavirus-response-act-h-r-6201/>.

¹⁰ Stefan Pichler et al., *COVID-19 Emergency Sick Leave Has Helped Flatten the Curve in the United States*, 39 Health Affairs 2197, 2202 (2020), available at <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>.

¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

²¹ Supriya Kumar et al., *Policies to Reduce Influenza in the Workplace: Impact Assessments Using an Agent-Based Model*, 103 Am. J. Pub. Health 1406, 1408 (Aug. 2013), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3893051/pdf/AJPH.2013.301269.pdf>.

²² Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, Nat'l Bureau of Econ. Res. (Aug. 2016), <https://www.nber.org/papers/w22530.pdf>.

²³ Human Impact Partners & S.F. Dep't of Pub. Health, *A Health Impact Assessment of the Healthy Families Act of 2009* (June 11, 2009), http://go.nationalpartnership.org/site/DocServer/WF_PSD_HFA_HealthImpactAssessment_HIA_090611.pdf?docID=5101.

²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

²⁷ Steven Sumner et al., *Factors Associated with Food Workers Working While Experiencing Vomiting or Diarrhea*, 74 J. Food Protection 215 (2011), available at http://www.cdc.gov/nceh/ehs/ehsnet/Docs/JFP_ill_food_workers.pdf.

²⁸ Tom W. Smith & Jibum Kim, *Paid Sick Days: Attitudes and Experiences*, Nat'l Opinion Res. Ctr. at U. of Chi. (June 2010), <https://www.issuelab.org/resource/paid-sick-days-attitudes-and-experiences.html>.

²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

³⁹ Appelbaum & Milkman, *supra* note 34, at 17.

⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was resubmitting the information previously submitted for initiative petitions 24-016 through 24-023 for initiative petitions 24-031 through 24-042. Petitions 24-031 through petition 24-042 all contain the language from petitions 24-016 through 24-019 in regards to the minimum wage. They do not believe the fiscal impact of petitions 24-031 through 24-042 will be different from 24-016 through 24-019, so their submission is the same. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 09 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 4 (2024-034)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 9, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending section 290.502 and enacting fifteen new sections to be known as sections 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [\$8.60] \$13.75 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [\$.85] \$1.25 per hour, effective January 1 of each of the next [four] two years, until it reaches [\$12.00] \$16.25 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.600. As used in sections 290.600 through 290.642:

(1) "Department", Department of Labor and Industrial Relations.

(2) "Director", Director of the Department of Labor and Industrial Relations.

(3) "Domestic violence", as such term is defined in section 455.010.

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) "Sexual assault", as such term is defined in section 455.010.

(13) "Stalking", as such term is defined in section 455.010.

(14) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall

be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written

statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually

agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an

ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. All or any portion of the earned paid sick time requirements of sections 290.600 through 290.642 shall not apply to employees covered by a bona fide collective bargaining agreement to the extent that such requirements are expressly waived in the collective bargaining agreement in clear and unambiguous terms.

4. With the exception noted in subsection 3, any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-034)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 9, 2023)

Date

January 27, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department has no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no fiscal impact on their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated this proposal might impact their department however, they defer to the Office of Administration to respond.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated by their department.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact. The state seems excluded from section 3 and we are not included in the definition of an employer in the new sections.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their agency because it specifically exempts the state from the definition of employer.

Officials from the **Department of Transportation** indicated this initiative petition excludes the state from the requirements of the proposed new law. Therefore there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$13.75 per hour. This rate would increase by \$1.25 per hour each year of the next two years until reaching \$16.25 per hour by January 1, 2027.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 3,495.00
2026	\$ 9,215.00
2027	\$ 97,725.00

Raising the minimum wage above \$15 per hour pulls more employees into the cost estimate, which makes calendar year 2027 much higher.

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each

year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated this petition does not apply to county governments under 290.502.4 for minimum wage and the contemplated new Section 6 for sick leave regarding the definition of an employer. Clay County provides more generous sick leave than this measure as well.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Chapter 290, RSMo.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the petition request is generally lower than their current compensation structure and therefore its passage appears to have minimal effect on their college. That being said, increases calculated by Consumer Price

Index or other indexed methods may affect them in the future and that cannot be determined at this time.

Officials from the **Missouri Lottery** indicated there is no impact to their agency.

Officials from the **State Tax Commission** indicated this initiative petition will not have a fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to the Missouri Veterans Commission. However, given the proposed changes to section 290.502 RSMo, they would note that those changes would make it more difficult for state agencies to recruit new employees. As to the remainder of the petition, the definition for the term "employer" found in the proposed section 290.600(6) specifically excludes the state and its agencies, so the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.600, the Kansas City, Missouri Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact from this petition.

Officials from the **Board of Election Commissioners City of St. Louis** indicated the current lowest paid election board employee earns \$15/hour. This petition contemplates raising the minimum wage incrementally until in 2027, where the minimum wage would be \$16.25 / hour (cost of living adjustments would occur thereafter).

Excluding the incremental raises, if the approximately 5 individuals earning \$15/hour were to receive \$16.25/hour, this would result in a yearly increase by the election board of \$13,000.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition has no material fiscal impact on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their Board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated since this proposed initiative petition does not apply to government entities, this would have no fiscal impact on their office.

Officials from the **Missouri Gaming Commission** indicated this initiative petition will not have any fiscal impact on their agency.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

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January 14, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposal Related to Chapter 290, RSMo, Petition 2024-025-042

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany petition 24-025-042 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

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Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

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¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

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²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

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²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

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³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

³⁹ Appelbaum & Milkman, *supra* note 34, at 17.

⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was resubmitting the information previously submitted for initiative petitions 24-016 through 24-023 for initiative petitions 24-031 through 24-042. Petitions 24-031 through petition 24-042 all contain the language from petitions 24-016 through 24-019 in regards to the minimum wage. They do not believe the fiscal impact of petitions 24-031 through 24-042 will be different from 24-016 through 24-019, so their submission is the same. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 9, 2023

RECEIVED

JAN 09 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 3 (2024-033)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 9, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending section 290.502 and enacting fifteen new sections to be known as sections 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [\$8.60] \$13.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [\$.85] \$.75 per hour, effective January 1 of each of the next [four] two years, until it reaches [\$12.00] \$15.00 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.600. As used in sections 290.600 through 290.642:

(1) "Construction", includes construction, reconstruction, improvement, enlargement, alteration, painting and decorating, or major repair, and does not include maintenance.

(2) "Construction industry", includes any employer whose employees conduct or perform construction as a principal component of the employer's business or enterprise.

(3) "Department", Department of Labor and Industrial Relations.

(4) "Director", Director of the Department of Labor and Industrial Relations.

(5) "Domestic violence", as such term is defined in section 455.010.

(6) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours

worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(7) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550;

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8); or

(M) Any individual employed in the construction industry and engaged in construction work, of fixed works, buildings, or structures or heavy and highway construction work, on the site of a building or construction job.

(8) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(9) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic,

preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(10) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(11) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(12) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(13) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(14) "Sexual assault", as such term is defined in section 455.010.

(15) "Stalking", as such term is defined in section 455.010.

(16) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick

time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement,

with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information,

domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. Any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-033)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 9, 2023)

Date

January 27, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department has no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no fiscal impact on their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated this proposal might impact their department however, they defer to the Office of Administration to respond.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated by their department.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact. The state seems excluded from section 3 and we are not included in the definition of an employer in the new sections.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their agency because it specifically exempts the state from the definition of employer.

Officials from the **Department of Transportation** indicated this initiative petition excludes the state from the requirements of the proposed new law. Therefore there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$13.50 per hour. This rate would increase by \$0.75 per hour each year of the next two years until reaching \$15.00 per hour by January 1, 2027.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 2,351.00
2026	\$ 5,783.00
2027	\$ 9,215.00

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions

certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated this petition does not apply to county governments under 290.502.4 for minimum wage and the contemplated new Section 8 for sick leave regarding the definition of an employer. Clay County provides more generous sick leave than this measure as well.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Chapter 290, RSMo.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the petition request is generally lower than their current compensation structure and therefore its passage appears to have minimal effect on their college. That being said, increases calculated by Consumer Price Index or other indexed methods may affect them in the future and that cannot be determined at this time.

Officials from the **Missouri Lottery** indicated no fiscal impact to their agency. Current hourly wages are \$15 or higher.

Officials from the **State Tax Commission** indicated this initiative petition will not have a fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to the Missouri Veterans Commission. However, given the proposed changes to section 290.502 RSMo, they would note that those changes would make it more difficult for state agencies to recruit new employees. As to the remainder of the petition, the definition for the term "employer" found in the proposed section 290.600(8) specifically excludes the state and its agencies, so the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.600, the Kansas City, Missouri Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact from this petition.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no fiscal impact; the lowest paid election board employee makes \$15/hour.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition has no material fiscal impact on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their Board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated since this proposed initiative petition does not apply to government entities, this would have no fiscal impact on their office.

Officials from the **Missouri Gaming Commission** indicated this initiative petition will not have any fiscal impact on their agency.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

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January 14, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposal Related to Chapter 290, RSMo, Petition 2024-025-042

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany petition 24-025-042 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

⁹ *Fact Sheet: The Families First Coronavirus Response Act (FFCRA) & the Coronavirus Aid, Relief and Economic Security (CARES) Act*, A Better Balance (Jan. 8, 2021), <https://www.abetterbalance.org/resources/federal-coronavirus-proposal-the-families-first-coronavirus-response-act-h-r-6201/>.

¹⁰ Stefan Pichler et al., *COVID-19 Emergency Sick Leave Has Helped Flatten the Curve in the United States*, 39 Health Affairs 2197, 2202 (2020), available at <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>.

¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

²¹ Supriya Kumar et al., *Policies to Reduce Influenza in the Workplace: Impact Assessments Using an Agent-Based Model*, 103 Am. J. Pub. Health 1406, 1408 (Aug. 2013), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3893051/pdf/AJPH.2013.301269.pdf>.

²² Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, Nat'l Bureau of Econ. Res. (Aug. 2016), <https://www.nber.org/papers/w22530.pdf>.

²³ Human Impact Partners & S.F. Dep't of Pub. Health, *A Health Impact Assessment of the Healthy Families Act of 2009* (June 11, 2009), http://go.nationalpartnership.org/site/DocServer/WF_PSD_HFA_HealthImpactAssessment_HIA_090611.pdf?docID=5101.

²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

²⁷ Steven Sumner et al., *Factors Associated with Food Workers Working While Experiencing Vomiting or Diarrhea*, 74 J. Food Protection 215 (2011), available at http://www.cdc.gov/nceh/ehs/ehsnet/Docs/JFP_ill_food_workers.pdf.

²⁸ Tom W. Smith & Jibum Kim, *Paid Sick Days: Attitudes and Experiences*, Nat'l Opinion Res. Ctr. at U. of Chi. (June 2010), <https://www.issuelab.org/resource/paid-sick-days-attitudes-and-experiences.html>.

²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportwAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

³⁹ Appelbaum & Milkman, *supra* note 34, at 17.

⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was resubmitting the information previously submitted for initiative petitions 24-016 through 24-023 for initiative petitions 24-031 through 24-042. Petitions 24-031 through petition 24-042 all contain the language from petitions 24-016 through 24-019 in regards to the minimum wage. They do not believe the fiscal impact of petitions 24-031 through 24-042 will be different from 24-016 through 24-019, so their submission is the same. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 9, 2023

RECEIVED

JAN 09 2023

STATE AUDITORS OFFICE

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 2 (2024-032)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 9, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending section 290.502 and enacting fifteen new sections to be known as sections 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [\$8.60] \$13.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [\$.85] \$.75 per hour, effective January 1 of each of the next [four] two years, until it reaches [\$12.00] \$15.00 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.600. As used in sections 290.600 through 290.642:

(1) "Department", Department of Labor and Industrial Relations.

(2) "Director", Director of the Department of Labor and Industrial Relations.

(3) "Domestic violence", as such term is defined in section 455.010.

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) "Sexual assault", as such term is defined in section 455.010.

(13) "Stalking", as such term is defined in section 455.010.

(14) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall

be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written

statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually

agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an

ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. Any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-032)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 9, 2023)

Date

January 27, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department has no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no fiscal impact on their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated this proposal might impact their department however, they defer to the Office of Administration to respond.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated by their department.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact. The state seems excluded from section 3 and we are not included in the definition of an employer in the new sections.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their agency because it specifically exempts the state from the definition of employer.

Officials from the **Department of Transportation** indicated this initiative petition excludes the state from the requirements of the proposed new law. Therefore there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$13.50 per hour. This rate would increase by \$0.75 per hour each year of the next two years until reaching \$15.00 per hour by January 1, 2027.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 2,351.00
2026	\$ 5,783.00
2027	\$ 9,215.00

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions

certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated this petition does not apply to county governments under 290.502.4 for minimum wage and the contemplated new Section 6 for sick leave regarding the definition of an employer. Clay County provides more generous sick leave than this measure as well.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Chapter 290, RSMo.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the petition request is generally lower than their current compensation structure and therefore its passage appears to have minimal effect on their college. That being said, increases calculated by Consumer Price Index or other indexed methods may affect them in the future and that cannot be determined at this time.

Officials from the **Missouri Lottery** indicated no fiscal impact to their agency. Current hourly wages are \$15 or higher.

Officials from the **State Tax Commission** indicated this initiative petition will not have a fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to the Missouri Veterans Commission. However, given the proposed changes to section 290.502 RSMo, they would note that those changes would make it more difficult for state agencies to recruit new employees. As to the remainder of the petition, the definition for the term "employer" found in the proposed section 290.600(6) specifically excludes the state and its agencies, so the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.600, the Kansas City, Missouri Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact from this petition.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no fiscal impact; the lowest paid election board employee makes \$15/hour.

Officials from the **Kansas City Board of Election Commissioners** indicated this petition has no material fiscal impact on their operations.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their Board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated since this proposed initiative petition does not apply to government entities, this would have no fiscal impact on their office.

Officials from the **Missouri Gaming Commission** indicated this initiative petition will not have any fiscal impact on their agency.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

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^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

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^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided the following information:



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January 14, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposal Related to Chapter 290, RSMo, Petition 2024-025-042

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany petition 24-025-042 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

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Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

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- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

⁹ *Fact Sheet: The Families First Coronavirus Response Act (FFCRA) & the Coronavirus Aid, Relief and Economic Security (CARES) Act*, A Better Balance (Jan. 8, 2021), <https://www.abetterbalance.org/resources/federal-coronavirus-proposal-the-families-first-coronavirus-response-act-h-r-6201/>.

¹⁰ Stefan Pichler et al., *COVID-19 Emergency Sick Leave Has Helped Flatten the Curve in the United States*, 39 Health Affairs 2197, 2202 (2020), available at <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>.

¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

²¹ Supriya Kumar et al., *Policies to Reduce Influenza in the Workplace: Impact Assessments Using an Agent-Based Model*, 103 Am. J. Pub. Health 1406, 1408 (Aug. 2013), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3893051/pdf/AJPH.2013.301269.pdf>.

²² Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, Nat'l Bureau of Econ. Res. (Aug. 2016), <https://www.nber.org/papers/w22530.pdf>.

²³ Human Impact Partners & S.F. Dep't of Pub. Health, *A Health Impact Assessment of the Healthy Families Act of 2009* (June 11, 2009), http://go.nationalpartnership.org/site/DocServer/WF_PSD_HFA_HealthImpactAssessment_HIA_090611.pdf?docID=5101.

²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

²⁷ Steven Sumner et al., *Factors Associated with Food Workers Working While Experiencing Vomiting or Diarrhea*, 74 J. Food Protection 215 (2011), available at http://www.cdc.gov/nceh/ehs/ehsnet/Docs/JFP_ill_food_workers.pdf.

²⁸ Tom W. Smith & Jibum Kim, *Paid Sick Days: Attitudes and Experiences*, Nat'l Opinion Res. Ctr. at U. of Chi. (June 2010), <https://www.issuelab.org/resource/paid-sick-days-attitudes-and-experiences.html>.

²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

³⁹ Appelbaum & Milkman, *supra* note 34, at 17.

⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was resubmitting the information previously submitted for initiative petitions 24-016 through 24-023 for initiative petitions 24-031 through 24-042. Petitions 24-031 through petition 24-042 all contain the language from petitions 24-016 through 24-019 in regards to the minimum wage. They do not believe the fiscal impact of petitions 24-031 through 24-042 will be different from 24-016 through 24-019, so their submission is the same. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 9, 2023

The Honorable Scott Fitzpatrick
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 09 2023

STATE AUDITOR'S OFFICE

RE: Petition approval request from Richard von Glahn regarding a proposed statutory amendment to Chapter 290, version 1 (2024-031)

Dear Auditor Fitzpatrick:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Richard von Glahn on January 9, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffinan
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Chapter 290, RSMo, is amended by amending section 290.502 and enacting fifteen new sections to be known as sections 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [\$8.60] \$13.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [\$.85] \$.75 per hour, effective January 1 of each of the next [four] two years, until it reaches [\$12.00] \$15.00 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.600. As used in sections 290.600 through 290.642:

(1) "Department", Department of Labor and Industrial Relations.

(2) "Director", Director of the Department of Labor and Industrial Relations.

(3) "Domestic violence", as such term is defined in section 455.010.

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) "Sexual assault", as such term is defined in section 455.010.

(13) "Stalking", as such term is defined in section 455.010.

(14) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall

be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written

statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually

agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an

ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. All or any portion of the earned paid sick time requirements of sections 290.600 through 290.642 shall not apply to employees covered by a bona fide collective bargaining agreement to the extent that such requirements are expressly waived in the collective bargaining agreement in clear and unambiguous terms.

4. With the exception noted in subsection 3, any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-031)**

Subject

Initiative petition from Richard von Glahn regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 9, 2023)

Date

January 27, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated their department has no fiscal impact.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no fiscal impact on their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive DMH funding would be impacted, which would include all contracted DMH providers.

Officials from the **Department of Natural Resources** indicated this proposal might impact their department however, they defer to the Office of Administration to respond.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated by their department.

Officials from the **Governor's Office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **House of Representatives** indicated no fiscal impact. The state seems excluded from section 3 and we are not included in the definition of an employer in the new sections.

Officials from the **Department of Conservation** indicated this initiative petition will have no fiscal impact on their agency because it specifically exempts the state from the definition of employer.

Officials from the **Department of Transportation** indicated this initiative petition excludes the state from the requirements of the proposed new law. Therefore there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated beginning January 1, 2025, the minimum wage rate would be not less than \$13.50 per hour. This rate would increase by \$0.75 per hour each year of the next two years until reaching \$15.00 per hour by January 1, 2027.

The increase to wages would approximately have the fiscal impact below for each year:

Calendar Year	Annual Increase from the Current Wage
2025	\$ 2,351.00
2026	\$ 5,783.00
2027	\$ 9,215.00

This is an estimated impact if not exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions

certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated this petition does not apply to county governments under 290.502.4 for minimum wage and the contemplated new Section 6 for sick leave regarding the definition of an employer. Clay County provides more generous sick leave than this measure as well.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Chapter 290, RSMo.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the petition request is generally lower than their current compensation structure and therefore its passage appears to have minimal effect on their college. That being said, increases calculated by Consumer Price Index or other indexed methods may affect them in the future and that cannot be determined at this time.

Officials from the **Missouri Lottery** indicated no fiscal impact to their agency. Current hourly wages are \$15 or higher.

Officials from the **State Tax Commission** indicated this initiative petition will not have a fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to the Missouri Veterans Commission. However, given the proposed changes to section 290.502 RSMo, they would note that those changes would make it more difficult for state agencies to recruit new employees. As to the remainder of the petition, the definition for the term "employer" found in the proposed section 290.600(6) specifically excludes the state and its agencies, so the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas City Board of Police Commissioners** indicated per Section 290.600, the Kansas City, Missouri Police Department is exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact from this petition.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no fiscal impact; the lowest paid election board employee makes \$15/hour.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their Board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated since this proposed initiative petition does not apply to government entities, this would have no fiscal impact on their office.

Officials from the **Missouri Gaming Commission** indicated this initiative petition will not have any fiscal impact on their agency.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided the following information:



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January 14, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposal Related to Chapter 290, RSMo, Petition 2024-025-042

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany petition 24-025-042 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

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¹⁰ Stefan Pichler et al., *COVID-19 Emergency Sick Leave Has Helped Flatten the Curve in the United States*, 39 Health Affairs 2197, 2202 (2020), available at <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>.

¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

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²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

²⁷ Steven Sumner et al., *Factors Associated with Food Workers Working While Experiencing Vomiting or Diarrhea*, 74 J. Food Protection 215 (2011), available at http://www.cdc.gov/nceh/ehs/ehsnet/Docs/JFP_ill_food_workers.pdf.

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²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

³⁹ Appelbaum & Milkman, *supra* note 34, at 17.

⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

Richard von Glahn, Policy Director, Missouri Jobs with Justice indicated he was resubmitting the information previously submitted for initiative petitions 24-016 through 24-023 for initiative petitions 24-031 through 24-042. Petitions 24-031 through petition 24-042 all contain the language from petitions 24-016 through 24-019 in regards to the minimum wage. They do not believe the fiscal impact of petitions 24-031 through 24-042 will be different from 24-016 through 24-019, so their submission is the same. They also provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Kansas City Board of Election Commissioners, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to at least \$256,000 per year by 2027. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 5, 2023

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 05 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Lisa D'Souza regarding a proposed statutory amendment to Chapter 290, version 6 (2024-030)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Lisa D'souza on January 5, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____
Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Signature of Notary	Address of Notary	Notary Public (Seal)
Printed Name of Affiant	City, State and Zip Code of Affiant			My commission expires _____

Be it enacted by the people of the state of Missouri:

Fifteen new sections to be known as sections 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642 are enacted to read as follows:

290.600. As used in sections 290.600 through 290.642:

- (1) “Construction”, includes construction, reconstruction, improvement, enlargement, alteration, painting and decorating, or major repair, and does not include maintenance.
- (2) “Construction industry”, includes any employer whose employees conduct or perform construction as a principal component of the employer’s business or enterprise.
- (3) “Department”, Department of Labor and Industrial Relations.
- (4) “Director”, Director of the Department of Labor and Industrial Relations.
- (5) “Domestic violence”, as such term is defined in section 455.010.
- (6) “Earned paid sick time”, time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.
- (7) “Employee”, any individual employed in this state by an employer, but does not include:
 - (A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;
 - (B) Any individual standing in loco parentis to foster children in their care;
 - (C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;
 - (D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;
 - (E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;
 - (F) Any individual employed on a casual basis to provide baby-sitting services;
 - (G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;
 - (H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;
 - (I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);
 - (J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;
 - (K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550;
 - (L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8); or
 - (M) Any individual employed in the construction industry and engaged in construction work, of fixed works, buildings, or structures or heavy and highway construction work, on the site of a building or construction job.
- (8) “Employer”, any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 “employer” does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.
- (9) “Family member”, any of the following individuals:
 - (A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;
 - (B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee’s spouse or domestic partner or an individual who stood in loco parentis when the employee or employee’s spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(10) "Health care professional," any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(11) "Person", any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(12) "Retaliatory personnel action", denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. "Retaliatory personnel action" shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(13) "Same hourly rate", means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee's regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee's normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee's regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(14) "Sexual assault", as such term is defined in section 455.010.

(15) "Stalking", as such term is defined in section 455.010.

(16) "Year", a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, "year" shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than twenty-four hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned

paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

- (i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;
- (ii) Services from a victim services organization;
- (iii) Psychological or other counseling;
- (iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or
- (v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking, (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of

enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. Any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-030)**

Subject

Initiative petition from Lisa D'Souza regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 5, 2023)

Date

January 24, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact on their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no impact on their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated this proposal could potentially fiscally impact their department however, at this time, there is no way to estimate said impact.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated by their department.

Officials from the **Governor's Office** indicated this proposal relating to employee leave does not financially impact their office as the proposal excludes government entities.

Officials from the **House of Representatives** indicated no fiscal impact, as the state is not included in the definition of an employer.

Officials from the **Department of Conservation** indicated because this initiative petition exempts the state, any agency or commission of the state, etc., from the definition of employer, their department does not anticipate any fiscal impact.

Officials from the **Department of Transportation** indicated this initiative petition excludes the state from the requirements of the proposed new law. Therefore there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to employee leave does not financially impact their office due to an exemption for government entities in the initiative petition.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated the proposed initiative petition creates a new offense under section 290.624 which could result in additional cases eligible for State Public Defender (SPD) representation. The number of additional cases is unknown and as a result the fiscal impact is unknown. However, if the offenses, which are classified as misdemeanors, were class D misdemeanors, jail time would not be a possible sentence and the offense therefore would not be eligible for SPD representation.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated this petition does not apply to county governments under Section 6 for the definition of an employer. Clay County provides more generous sick leave than this measure as well.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Chapter 290, RSMo.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this has no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated their college appears to offer benefits that exceed the petition and therefore they do not see a cost or cost savings with regard to the petition.

Officials from the **Missouri Lottery** indicated no fiscal impact to their agency.

Officials from the **State Tax Commission** indicated this initiative petition will not have a fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their Commission. The definition of the term "employer" in the proposed section 290.600(6) specifically excludes the state and its agencies, so the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas Board of Police Commissioners** indicated they are exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact from this petition.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated since this proposed initiative petition does not apply to government entities, this would have no fiscal impact on their office.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided the following information:



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January 14, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposal Related to Chapter 290, RSMo, Petition 2024-025-042

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany petition 24-025-042 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

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¹⁰ Stefan Pichler et al., *COVID-19 Emergency Sick Leave Has Helped Flatten the Curve in the United States*, 39 Health Affairs 2197, 2202 (2020), available at <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>.

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¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

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²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

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The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Kansas City Board of Election Commissioners, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate no savings, one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to \$256,000 per year by 2027. Local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 5, 2023

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 05 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Lisa D'Souza regarding a proposed statutory amendment to Chapter 290, version 5 (2024-029)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Lisa D'souza on January 5, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

Subscribed and sworn to before me this _____ day of _____, A.D.

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Fifteen new sections to be known as sections 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642 are enacted to read as follows:

290.600. As used in sections 290.600 through 290.642:

(1) “Department”, Department of Labor and Industrial Relations.

(2) “Director”, Director of the Department of Labor and Industrial Relations.

(3) “Domestic violence”, as such term is defined in section 455.010.

(4) “Earned paid sick time”, time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) “Employee”, any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) “Employer”, any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 “employer” does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) “Family member”, any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee’s spouse or domestic partner or an individual who stood in loco parentis when the employee or employee’s spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee’s spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) “Health care professional,” any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) “Person”, any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) “Retaliatory personnel action”, denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. “Retaliatory personnel action” shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) “Same hourly rate”, means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee’s regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee’s normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee’s regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) “Sexual assault”, as such term is defined in section 455.010.

(13) “Stalking”, as such term is defined in section 455.010.

(14) “Year”, a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, “year” shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than twenty-four hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it

is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking; (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by

sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time,

and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. Any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-029)**

Subject

Initiative petition from Lisa D'Souza regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 5, 2023)

Date

January 24, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact on their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no impact on their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated this proposal could potentially fiscally impact their department however, at this time, there is no way to estimate said impact.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated by their department.

Officials from the **Governor's Office** indicated this proposal relating to employee leave does not financially impact their office as the proposal excludes government entities.

Officials from the **House of Representatives** indicated no fiscal impact, as the state is not included in the definition of an employer.

Officials from the **Department of Conservation** indicated because this initiative petition exempts the state, any agency or commission of the state, etc., from the definition of employer, their department does not anticipate any fiscal impact.

Officials from the **Department of Transportation** indicated this initiative petition excludes the state from the requirements of the proposed new law. Therefore there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to employee leave does not financially impact their office due to an exemption for government entities in the initiative petition.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated the proposed initiative petition creates a new offense under section 290.624 which could result in additional cases eligible for State Public Defender (SPD) representation. The number of additional cases is unknown and as a result the fiscal impact is unknown. However, if the offenses, which are classified as misdemeanors, were class D misdemeanors, jail time would not be a possible sentence and the offense therefore would not be eligible for SPD representation.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated this petition does not apply to county governments under Section 6 for the definition of an employer. Clay County provides more generous sick leave than this measure as well.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Chapter 290, RSMo.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated their college appears to offer benefits that exceed the petition and therefore they do not see a cost or cost savings with regard to the petition.

Officials from the **Missouri Lottery** indicated no fiscal impact to their agency.

Officials from the **State Tax Commission** indicated this initiative petition will not have a fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their Commission. The definition of the term "employer" in the proposed section 290.600(6) specifically excludes the state and its agencies, so the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas Board of Police Commissioners** indicated they are exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact from this petition.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated since this proposed initiative petition does not apply to government entities, this would have no fiscal impact on their office.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided the following information:



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January 14, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposal Related to Chapter 290, RSMo, Petition 2024-025-042

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany petition 24-025-042 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

⁹ *Fact Sheet: The Families First Coronavirus Response Act (FFCRA) & the Coronavirus Aid, Relief and Economic Security (CARES) Act*, A Better Balance (Jan. 8, 2021), <https://www.abetterbalance.org/resources/federal-coronavirus-proposal-the-families-first-coronavirus-response-act-h-r-6201/>.

¹⁰ Stefan Pichler et al., *COVID-19 Emergency Sick Leave Has Helped Flatten the Curve in the United States*, 39 Health Affairs 2197, 2202 (2020), available at <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>.

¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

²¹ Supriya Kumar et al., *Policies to Reduce Influenza in the Workplace: Impact Assessments Using an Agent-Based Model*, 103 Am. J. Pub. Health 1406, 1408 (Aug. 2013), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3893051/pdf/AJPH.2013.301269.pdf>.

²² Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, Nat'l Bureau of Econ. Res. (Aug. 2016), <https://www.nber.org/papers/w22530.pdf>.

²³ Human Impact Partners & S.F. Dep't of Pub. Health, *A Health Impact Assessment of the Healthy Families Act of 2009* (June 11, 2009), http://go.nationalpartnership.org/site/DocServer/WF_PSD_HFA_HealthImpactAssessment_HIA_090611.pdf?docID=5101.

²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

²⁷ Steven Sumner et al., *Factors Associated with Food Workers Working While Experiencing Vomiting or Diarrhea*, 74 J. Food Protection 215 (2011), available at http://www.cdc.gov/nceh/ehs/ehsnet/Docs/JFP_ill_food_workers.pdf.

²⁸ Tom W. Smith & Jibum Kim, *Paid Sick Days: Attitudes and Experiences*, Nat'l Opinion Res. Ctr. at U. of Chi. (June 2010), <https://www.issuelab.org/resource/paid-sick-days-attitudes-and-experiences.html>.

²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

³⁹ Appelbaum & Milkman, *supra* note 34, at 17.

⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Kansas City Board of Election Commissioners, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate no savings, one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to \$256,000 per year by 2027. Local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 5, 2023

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 05 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Lisa D'Souza regarding a proposed statutory amendment to Chapter 290, version 4 (2024-028)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Lisa D'souza on January 5, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Signature of Notary	Address of Notary	Notary Public (Seal) My commission expires _____
Printed Name of Affiant	City, State and Zip Code of Affiant			

Be it enacted by the people of the state of Missouri:

Fifteen new sections to be known as sections 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642 are enacted to read as follows:

290.600. As used in sections 290.600 through 290.642:

(1) “Department”, Department of Labor and Industrial Relations.

(2) “Director”, Director of the Department of Labor and Industrial Relations.

(3) “Domestic violence”, as such term is defined in section 455.010.

(4) “Earned paid sick time”, time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) “Employee”, any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) “Employer”, any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 “employer” does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) “Family member”, any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee’s spouse or domestic partner or an individual who stood in loco parentis when the employee or employee’s spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee’s spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) “Health care professional,” any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) “Person”, any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) “Retaliatory personnel action”, denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. “Retaliatory personnel action” shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) “Same hourly rate”, means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee’s regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee’s normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee’s regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) “Sexual assault”, as such term is defined in section 455.010.

(13) “Stalking”, as such term is defined in section 455.010.

(14) “Year”, a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, “year” shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than twenty-four hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it

is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking; (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by

sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time,

and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. All or any portion of the earned paid sick time requirements of sections 290.600 through 290.642 shall not apply to employees covered by a bona fide collective bargaining agreement to the extent that such requirements are expressly waived in the collective bargaining agreement in clear and unambiguous terms.

4. With the exception noted in subsection 3, any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-028)**

Subject

Initiative petition from Lisa D'Souza regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 5, 2023)

Date

January 24, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact on their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no impact on their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated this proposal could potentially fiscally impact their department however, at this time, there is no way to estimate said impact.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated by their department.

Officials from the **Governor's Office** indicated this proposal relating to employee leave does not financially impact their office as the proposal excludes government entities.

Officials from the **House of Representatives** indicated no fiscal impact, as it excludes the state from the definition of an employer.

Officials from the **Department of Conservation** indicated because this initiative petition exempts the state, any agency or commission of the state, etc., from the definition of employer, their department does not anticipate any fiscal impact.

Officials from the **Department of Transportation** indicated this initiative petition excludes the state from the requirements of the proposed new law. Therefore there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to employee leave does not financially impact their office due to an exemption for government entities in the initiative petition.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated the proposed initiative petition creates a new offense under section 290.624 which could result in additional cases eligible for State Public Defender (SPD) representation. The number of additional cases is unknown and as a result the fiscal impact is unknown. However, if the offenses, which are classified as misdemeanors, were class D misdemeanors, jail time would not be a possible sentence and the offense therefore would not be eligible for SPD representation.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated this petition does not apply to county governments under Section 6 for the definition of an employer. Clay County provides more generous sick leave than this measure as well.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Chapter 290, RSMo.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated their college appears to offer benefits that exceed the petition and therefore they do not see a cost or cost savings with regard to the petition.

Officials from the **Missouri Lottery** indicated no fiscal impact to their agency.

Officials from the **State Tax Commission** indicated this initiative petition will not have a fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their Commission. The definition of the term "employer" in the proposed section 290.600(6) specifically excludes the state and its agencies, so the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas Board of Police Commissioners** indicated they are exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact from this petition.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated since this proposed initiative petition does not apply to government entities, this would have no fiscal impact on their office.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

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January 14, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposal Related to Chapter 290, RSMo, Petition 2024-025-042

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany petition 24-025-042 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

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Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

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- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

⁹ *Fact Sheet: The Families First Coronavirus Response Act (FFCRA) & the Coronavirus Aid, Relief and Economic Security (CARES) Act*, A Better Balance (Jan. 8, 2021), <https://www.abetterbalance.org/resources/federal-coronavirus-proposal-the-families-first-coronavirus-response-act-h-r-6201/>.

¹⁰ Stefan Pichler et al., *COVID-19 Emergency Sick Leave Has Helped Flatten the Curve in the United States*, 39 Health Affairs 2197, 2202 (2020), available at <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>.

¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

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¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

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²² Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, Nat'l Bureau of Econ. Res. (Aug. 2016), <https://www.nber.org/papers/w22530.pdf>.

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²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

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³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

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³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

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⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Kansas City Board of Election Commissioners, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate no savings, one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to \$256,000 per year by 2027. Local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 5, 2023

RECEIVED

JAN 05 2023

STATE AUDITORS OFFICE

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Lisa D'Souza regarding a proposed statutory amendment to Chapter 290, version 3 (2024-027)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Lisa D'souza on January 5, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

County: _____

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

Notary Public (Seal)

My commission expires _____

Be it enacted by the people of the state of Missouri:

Fifteen new sections to be known as sections 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642 are enacted to read as follows:

290.600. As used in sections 290.600 through 290.642:

(1) “Department”, Department of Labor and Industrial Relations.

(2) “Director”, Director of the Department of Labor and Industrial Relations.

(3) “Domestic violence”, as such term is defined in section 455.010.

(4) “Earned paid sick time”, time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) “Employee”, any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) “Employer”, any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 “employer” does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) “Family member”, any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee’s spouse or domestic partner or an individual who stood in loco parentis when the employee or employee’s spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee’s spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) “Health care professional,” any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) “Person”, any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) “Retaliatory personnel action”, denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. “Retaliatory personnel action” shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) “Same hourly rate”, means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee’s regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee’s normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee’s regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) “Sexual assault”, as such term is defined in section 455.010.

(13) “Stalking”, as such term is defined in section 455.010.

(14) “Year”, a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, “year” shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it

is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking; (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by

sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time,

and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. All or any portion of the earned paid sick time requirements of sections 290.600 through 290.642 shall not apply to employees covered by a bona fide collective bargaining agreement to the extent that such requirements are expressly waived in the collective bargaining agreement in clear and unambiguous terms.

4. With the exception noted in subsection 3, any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-027)**

Subject

Initiative petition from Lisa D'Souza regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 5, 2023)

Date

January 24, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact on their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no impact on their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated this proposal could potentially fiscally impact their department however, at this time, there is no way to estimate said impact.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated by their department.

Officials from the **Governor's Office** indicated this proposal relating to employee leave does not financially impact their office as the proposal excludes government entities.

Officials from the **House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated because this initiative petition exempts the state, any agency or commission of the state, etc., from the definition of employer, their department does not anticipate any fiscal impact.

Officials from the **Department of Transportation** indicated there is no fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to employee leave does not financially impact their office due to an exemption for government entities in the initiative petition.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated the proposed initiative petition creates a new offense under section 290.624 which could result in additional cases eligible for State Public Defender (SPD) representation. The number of additional cases is unknown and as a result the fiscal impact is unknown. However, if the offenses, which are

classified as misdemeanors, were class D misdemeanors, jail time would not be a possible sentence and the offense therefore would not be eligible for SPD representation.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated this petition does not apply to county governments under Section 6 for the definition of an employer. Clay County provides more generous sick leave than this measure as well.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Chapter 290, RSMo.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated their college appears to offer benefits that exceed the petition and therefore they do not see a cost or cost savings with regard to the petition.

Officials from the **Missouri Lottery** indicated no fiscal impact.

Officials from the **State Tax Commission** indicated this initiative petition will not have a fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their Commission. The definition of the term "employer" in the proposed section 290.600(6) specifically excludes the state and its agencies, so the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas Board of Police Commissioners** indicated they are exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact from this petition.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated since this proposed initiative petition does not apply to government entities, this would have no fiscal impact on their office.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided the following information:



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January 14, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposal Related to Chapter 290, RSMo, Petition 2024-025-042

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany petition 24-025-042 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

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- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

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⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

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⁹ *Fact Sheet: The Families First Coronavirus Response Act (FFCRA) & the Coronavirus Aid, Relief and Economic Security (CARES) Act*, A Better Balance (Jan. 8, 2021), <https://www.abetterbalance.org/resources/federal-coronavirus-proposal-the-families-first-coronavirus-response-act-h-r-6201/>.

¹⁰ Stefan Pichler et al., *COVID-19 Emergency Sick Leave Has Helped Flatten the Curve in the United States*, 39 Health Affairs 2197, 2202 (2020), available at <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>.

¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

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¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

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²⁹ Stefan Pichler, et al., *Positive Health Externalities of Mandating Paid Sick Leave*, IZA Institute of Labor Economics 17, 32 (July 2020), <http://ftp.iza.org/dp13530.pdf> (examining the effects of paid sick leave laws in Connecticut, Washington, D.C., California, Massachusetts, Oregon, Arizona, Vermont, Washington State, Rhode Island, and Maryland).

³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

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⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

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The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Kansas City Board of Election Commissioners, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate no savings, one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to \$256,000 per year by 2027. Local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 5, 2023

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 05 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Lisa D'Souza regarding a proposed statutory amendment to Chapter 290, version 2 (2024-026)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Lisa D'souza on January 5, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Signature of Notary	Address of Notary	Notary Public (Seal)
Printed Name of Affiant	City, State and Zip Code of Affiant			My commission expires _____

Be it enacted by the people of the state of Missouri:

Fifteen new sections to be known as sections 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642 are enacted to read as follows:

290.600. As used in sections 290.600 through 290.642:

(1) “Department”, Department of Labor and Industrial Relations.

(2) “Director”, Director of the Department of Labor and Industrial Relations.

(3) “Domestic violence”, as such term is defined in section 455.010.

(4) “Earned paid sick time”, time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) “Employee”, any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) “Employer”, any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 “employer” does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) “Family member”, any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee’s spouse or domestic partner or an individual who stood in loco parentis when the employee or employee’s spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee’s spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) “Health care professional,” any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) “Person”, any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) “Retaliatory personnel action”, denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. “Retaliatory personnel action” shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) “Same hourly rate”, means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee’s regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee’s normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee’s regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) “Sexual assault”, as such term is defined in section 455.010.

(13) “Stalking”, as such term is defined in section 455.010.

(14) “Year”, a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, “year” shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it

is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking; (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by

sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time,

and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. All or any portion of the earned paid sick time requirements of sections 290.600 through 290.642 shall not apply to employees covered by a bona fide collective bargaining agreement to the extent that such requirements are expressly waived in the collective bargaining agreement in clear and unambiguous terms.

4. With the exception noted in subsection 3, any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-026)**

Subject

Initiative petition from Lisa D'Souza regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 5, 2023)

Date

January 24, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact on their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no impact on their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated this proposal could potentially fiscally impact their department however, at this time, there is no way to estimate said impact.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated by their department.

Officials from the **Governor's Office** indicated this proposal relating to employee leave does not financially impact their office as the proposal excludes government entities.

Officials from the **House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated because this initiative petition exempts the state, any agency or commission of the state, etc., from the definition of employer, their department does not anticipate any fiscal impact.

Officials from the **Department of Transportation** indicated there is no fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to employee leave does not financially impact their office due to an exemption for government entities in the initiative petition.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated the proposed initiative petition creates a new offense under section 290.624 which could result in additional cases eligible for State Public Defender (SPD) representation. The number of additional cases is unknown and as a result the fiscal impact is unknown. However, if the offenses, which are

classified as misdemeanors, were class D misdemeanors, jail time would not be a possible sentence and the offense therefore would not be eligible for SPD representation.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated this petition does not apply to county governments under Section 6 for the definition of an employer. Clay County provides more generous sick leave than this measure as well.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Chapter 290, RSMo.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated their college appears to offer benefits that exceed the petition and therefore they do not see a cost or cost savings with regard to the petition.

Officials from the **Missouri Lottery** indicated no fiscal impact to their agency.

Officials from the **State Tax Commission** indicated this initiative petition will not have a fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their Commission. The definition of the term "employer" in the proposed section 290.600(6) specifically excludes the state and its agencies, so the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas Board of Police Commissioners** indicated they are exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact from this petition.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated since this proposed initiative petition does not apply to government entities, this would have no fiscal impact on their office.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

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January 14, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposal Related to Chapter 290, RSMo, Petition 2024-025-042

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany petition 24-025-042 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

³ Daniel Schneider, *Paid Sick Leave in Washington State: Evidence on Employee Outcomes, 2016-2018*, Am. J. Pub. Health, Feb. 20, 2020, at e3-4, available at <https://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2019.305481>.

⁴ See Stefan Pichler & Nicolas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Testing for Contagious Presenteeism and Noncontagious Absenteeism Behavior*, 156 J. Pub. Econ. 14, 27 (2017).

⁵ Abay Asfaw et al., *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, 59 J. Occupational & Envtl. Med. 822, 826 (2017).

⁶ Stefan Pichler & Nicholas R. Ziebarth, *The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior* (May 12, 2018), <https://voxeu.org/article/pros-and-cons-sick-pay>.

⁷ WHO Coronavirus Disease (COVID-19) Dashboard, World Health Organization, <https://covid19.who.int/table> (last visited Mar. 31, 2022).

⁸ The thirteen G12 countries include Australia, Belgium, Canada, France, Germany, Italy, Japan, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the U.S. *For How Long Are Workers Guaranteed Paid Sick Leave?*, World Policy Center, <https://www.worldpolicycenter.org/data-tables/policy/for-how-long-are-workers-guaranteed-paid-sick-leave> (last visited Mar. 31, 2022).

⁹ *Fact Sheet: The Families First Coronavirus Response Act (FFCRA) & the Coronavirus Aid, Relief and Economic Security (CARES) Act*, A Better Balance (Jan. 8, 2021), <https://www.abetterbalance.org/resources/federal-coronavirus-proposal-the-families-first-coronavirus-response-act-h-r-6201/>.

¹⁰ Stefan Pichler et al., *COVID-19 Emergency Sick Leave Has Helped Flatten the Curve in the United States*, 39 Health Affairs 2197, 2202 (2020), available at <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>.

¹¹ Heather Boushey & Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees*, Center for American Progress (Nov. 16, 2012), <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>.

¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

¹⁴ Christine Siegwirth Meyer et al., *Work-Family Benefits: Which Ones Maximize Profits?*, 13 J. Managerial Issues 28 (2001).

¹⁵ Jane Farrell, *Myth vs. Fact: Paid Sick Days*, Ctr. for Am. Progress (Nov. 16, 2012),

<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

¹⁶ Eileen Appelbaum et al., *Good For Business?: Connecticut's Paid Sick Leave Law*, Ctr. for Econ. & Pol'y Res. 15 (Feb. 2014), <https://www.cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

¹⁷ Zoe Ziliak Michel, *During Healthy Families Act Days of Action, Business Owners Stress Benefits of Paid Sick Time*, CLASP (May 16, 2016) (emphasis in original), <https://www.clasp.org/blog/during-healthy-families-act-days-action-business-owners-stress-benefits-paid-sick-time>.

¹⁸ OSHA, *Business Case for Safety and Health*, <https://www.osha.gov/dcspp/products/topics/businesscase/costs.html> (last visited Mar. 31, 2022).

¹⁹ Asfaw, *supra* note 7, at 822.

²⁰ Supriya Kumar et al., *The Impact of Workplace Policies and Other Social Factors on Self-Reported Influenza-Like Illness Incidence During the 2009 H1N1 Pandemic*, 102 Am. J. Pub. Health 134 (Jan. 2012), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3490553/>.

²¹ Supriya Kumar et al., *Policies to Reduce Influenza in the Workplace: Impact Assessments Using an Agent-Based Model*, 103 Am. J. Pub. Health 1406, 1408 (Aug. 2013), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3893051/pdf/AJPH.2013.301269.pdf>.

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²⁴ Yusheng Zhai et al., *Paid Sick Leave Benefits, Influenza Vaccination, and Taking Sick Days Due to Influenza-Like Illness Among U.S. Workers*, 36 Vaccine 7316 (2018).

²⁵ *Workers Are More Likely to Get a COVID-19 Vaccine When Their Employers Encourage It and Provide Paid Sick Leave, Though Most Workers Don't Want Their Employers to Require It*, Kaiser Family Found. (June 30, 2021), <https://www.kff.org/coronavirus-covid-19/press-release/workers-are-more-likely-to-get-a-covid-19-vaccine-when-their-employers-encourage-it-and-provide-paid-sick-leave-though-most-workers-dont-want-their-employers-to-require-it/>.

²⁶ Rest. Opportunities Ctrs. United, *Serving While Sick: High Risks & Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer* (Sept. 30, 2010), <https://chapters.rocunited.org/publications/roc-serving-while-sick/>.

²⁷ Steven Sumner et al., *Factors Associated with Food Workers Working While Experiencing Vomiting or Diarrhea*, 74 J. Food Protection 215 (2011), available at http://www.cdc.gov/nceh/ehs/ehsnet/Docs/JFP_ill_food_workers.pdf.

²⁸ Tom W. Smith & Jibum Kim, *Paid Sick Days: Attitudes and Experiences*, Nat'l Opinion Res. Ctr. at U. of Chi. (June 2010), <https://www.issuelab.org/resource/paid-sick-days-attitudes-and-experiences.html>.

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³⁰ LeaAnne DeRigne et al., *Paid Sick Leave and Preventive Health Care Service Use Among U.S. Working Adults*, 99 Preventive Med. 58 (2017); Lucy A. Peipins et al., *The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey*, BMC Public Health (2012), <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>.

³¹ Kevin Miller et al., *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, Inst. for Women's Pol'y Res. (Nov. 2011), <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>.

³² Eileen Appelbaum & Ruth Milkman, *No Big Deal: The Impact of New York City's Paid Sick Days Law on Employers*, Ctr. for Econ. & Pol'y Res. 21, 23 (Sept. 2016), <https://cepr.net/images/stories/reports/nyc-paid-sick-days-2016-09.pdf>.

³³ Appelbaum et al., *supra* note 18, at 13.

³⁴ Vicky Lovell & Kevin Miller, *Job Growth Strong With Paid Sick Days*, Inst. for Women's Pol'y Res. (Oct. 2008), <https://iwpr.org/iwpr-general/job-growth-strong-with-paid-sick-days/>.

³⁵ Jennifer Romich et al., *Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance*, City of Seattle 34 (Apr. 23, 2014), <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportWAppendices.pdf>.

³⁶ *Id.* at 35.

³⁷ Appelbaum & Milkman, *supra* note 34, at 23-24.

³⁸ "NYC's Paid Sick Leave Law: First Year Milestones," New York City Department of Consumer Affairs (June 2015), p. 4, <http://www1.nyc.gov/assets/dca/downloads/pdf/about/PaidSickLeaveLaw-FirstYearMilestones.pdf>.

³⁹ Appelbaum & Milkman, *supra* note 34, at 17.

⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

⁴² Main Street Alliance of Washington, "Paid Sick Days and the Seattle Economy: Job Growth and Business Formation at the 1-Year Anniversary of Seattle's Paid Sick and Safe Leave Law" (September 2013), p. 4, <http://www.eoionline.org/wp/wp-content/uploads/PSD-1-Year-Report-Final.pdf>.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Kansas City Board of Election Commissioners, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate no savings, one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to \$256,000 per year by 2027. Local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

January 5, 2023

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 05 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Lisa D'Souza regarding a proposed statutory amendment to Chapter 290, version 1 (2024-025)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Lisa D'souza on January 5, 2023.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Andrew Bailey
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

	NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Fifteen new sections to be known as sections 290.600, 290.603, 290.606, 290.609, 290.612, 290.615, 290.618, 290.621, 290.624, 290.627, 290.630, 290.633, 290.636, 290.639, and 290.642 are enacted to read as follows:

290.600. As used in sections 290.600 through 290.642:

(1) "Department", Department of Labor and Industrial Relations.

(2) "Director", Director of the Department of Labor and Industrial Relations.

(3) "Domestic violence", as such term is defined in section 455.010.

(4) "Earned paid sick time", time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in section 290.606, but in no case shall this hourly amount be less than that provided under section 290.502.

(5) "Employee", any individual employed in this state by an employer, but does not include:

(A) Any individual engaged in the activities of an educational, charitable, religious, or nonprofit organization where the employer-employee relationship does not, in fact, exist or where the services rendered to the organization are on a voluntary basis;

(B) Any individual standing in loco parentis to foster children in their care;

(C) Any individual employed for less than four months in any year in a resident or day camp for children or youth, or any individual employed by an educational conference center operated by an educational, charitable or not-for-profit organization;

(D) Any individual engaged in the activities of an educational organization where employment by the organization is in lieu of the requirement that the individual pay the cost of tuition, housing or other educational fees of the organization or where earnings of the individual employed by the organization are credited toward the payment of the cost of tuition, housing or other educational fees of the organization;

(E) Any individual employed on or about a private residence on an occasional basis for six hours or less on each occasion;

(F) Any individual employed on a casual basis to provide baby-sitting services;

(G) Any individual employed by an employer subject to the provisions of part A of subtitle IV of title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

(H) Any individual employed on a casual or intermittent basis as a golf caddy, newsboy, or in a similar occupation;

(I) Any individual who is employed in any government position defined in 29 U.S.C. §§ 203(e)(2)(C)(i)-(ii);

(J) Any individual employed by a retail or service business whose annual gross volume sales made or business done is less than five hundred thousand dollars;

(K) Any individual who is an offender, as defined in section 217.010, who is incarcerated in any correctional facility operated by the department of corrections, including offenders who provide labor or services on the grounds of such correctional facility pursuant to section 217.550; or,

(L) Any individual described by the provisions of section 29 U.S.C. 213(a)(8).

(6) "Employer", any person acting directly or indirectly in the interest of an employer in relation to an employee; provided, however, that for the purposes of sections 290.600 through 290.642 "employer" does not include the United States Government, the state, or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, public higher education institution, or other political subdivision of the state.

(7) "Family member", any of the following individuals:

(A) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in loco parentis, or an individual to whom the employee stood in loco parentis when the individual was a minor;

(B) A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child;

(C) An individual to whom the employee is legally married under the laws of any state, or a domestic partner who is registered as such under the laws of any state or political subdivision, or an individual with whom the employee is in a continuing social relationship of a romantic or intimate nature;

(D) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or

(E) A person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

(8) “Health care professional,” any individual licensed under federal or any state law to provide medical or emergency services, including but not limited to doctors, nurses, certified nurse midwives, mental health professionals, and emergency room personnel.

(9) “Person”, any individual, partnership, association, corporation, business, business trust, legal representative, or any organized group of persons.

(10) “Retaliatory personnel action”, denial of any right guaranteed under sections 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed herein. “Retaliatory personnel action” shall also include interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under sections 290.600 through 290.642.

(11) “Same hourly rate”, means the following:

(A) For employees paid on the basis of a single hourly rate, the same hourly rate shall be the employee’s regular hourly rate.

(B) For employees who are paid multiple hourly rates of pay from the same employer, the same hourly rate shall be either:

(i) the wages the employee would have been paid for the hours absent during use of earned paid sick time if the employee had worked; or,

(ii) the weighted average of all hourly rates of pay during the previous pay period.

Whatever method the employer uses, the employer must use a consistent method for each employee throughout a year.

(C) For employees who are paid a salary, the same hourly rate shall be determined by dividing the wages the employee earns in the previous pay period by the total number of hours worked during the previous pay period. For determining total number of hours worked during the previous pay period, employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work 40 hours in each work week unless their normal work week is less than 40 hours, in which case earned paid sick time shall accrue and the same hourly rate shall be calculated based on the employee’s normal work week. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(D) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate shall be a reasonable calculation of the wages or fees the employee would have received for the piece work, service, or part thereof, if the employee had worked. Regardless of the basis used, the same hourly rate shall not be less than the effective minimum wage specified in section 290.502.

(E) For employees who are paid on a commission basis (whether base wage plus commission or commission only), the same hourly rate shall be the greater of the base wage or the effective minimum wage specified in section 290.502.

(F) For employees who receive and retain compensation in the form of gratuities in addition to wages, the same hourly rate shall be the greater of the employee’s regular hourly rate or 100% of the effective minimum wage specified in section 290.502 without deduction of any tips as a credit.

(12) “Sexual assault”, as such term is defined in section 455.010.

(13) “Stalking”, as such term is defined in section 455.010.

(14) “Year”, a regular and consecutive twelve-month period as determined by the employer; except that for the purposes of section 290.615 and section 290.627, “year” shall mean a calendar year.

290.603. 1. Employees of an employer with fifteen or more employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than fifty-six hours of earned paid sick time per year, unless the employer selects a higher limit.

2. Employees of an employer with fewer than fifteen employees shall accrue a minimum of one hour of earned paid sick time for every thirty hours worked, but such employees shall not be entitled to use more than forty hours of earned paid sick time per year, unless the employer selects a higher limit.

3. In determining the number of employees of an employer, all employees performing work in the state for an employer for compensation on a full-time, part-time, or temporary basis shall be counted. In situations in which the number of employees performing work in the state for an employer for compensation per week fluctuates above and below 15 employees per week over the course of a year, an employer is required to provide earned paid sick time pursuant to subsection (1) of this section if it maintained fifteen or more employees in the state on the payroll for some portion of a working day in each of twenty or more different calendar weeks, including any periods of leave, and whether or not the weeks were consecutive, in either the current or the preceding year (irrespective of whether the same individuals were in employment in each working day).

4. All employees shall accrue earned paid sick time as follows:

(A) Earned paid sick time as provided in this section shall begin to accrue at the commencement of employment or May 1, 2025, whichever is later. An employee shall be entitled to use earned paid sick time as it

is accrued. An employer may provide all earned paid sick time that an employee is expected to accrue in a year at the beginning of the year.

(B) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the Federal Fair Labor Standards Act will be assumed to work forty hours in each work week for purposes of earned paid sick time accrual unless their normal work week is less than forty hours, in which case earned paid sick time accrues based upon that normal work week.

(C) Up to 80 hours of earned paid sick time shall be carried over to the following year if the employee has any unused accrued earned paid sick time at the end of the year, but this law does not require an employer to permit an employee to use more than the applicable number of hours of earned paid sick time per year as set forth in subsection (1) and (2) of this section. Alternatively, in lieu of carryover of unused earned paid sick time from one year to the next, an employer may pay an employee for unused earned paid sick time at the end of a year which could be carried over and provide the employee with an amount of paid sick time that meets or exceeds the requirements of sections 290.600 through 290.642 that is available for the employee's immediate use at the beginning of the subsequent year.

(D) If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned paid sick time accrued at the prior division, entity, or location and is entitled to use all earned paid sick time as provided in this section. When there is a separation from employment and the employee is rehired within nine months of separation by the same employer, previously accrued earned paid sick time that had not been used shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and accrue additional earned paid sick time at the re-commencement of employment.

(E) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned paid sick time they accrued when employed by the original employer, and are entitled to use earned paid sick time previously accrued.

(F) At its discretion, an employer may loan earned paid sick time to an employee in advance of accrual by such employee.

5. Any employer with a paid leave policy, such as a paid time off policy, who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under sections 290.600 through 290.642 is not required to provide additional paid sick time under this section.

6. Except as specifically provided in this section, nothing in this section shall be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned paid sick time that has not been used.

7. Employees shall not accrue earned paid sick time before May 1, 2025. Employees who are employed or who commence employment on or after May 1, 2025 shall accrue earned paid sick time and be entitled to use earned paid sick time as it is accrued in accordance with sections 290.600 through 290.642. The Department may develop model posters and notices, engage in rule-making, initiate outreach programs, and engage in other activities for implementation of the provisions of sections 290.600 through 290.642 as authorized by those sections before May 1, 2025.

290.606. 1. Earned paid sick time shall be provided to an employee by an employer for:

(A) An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; an employee's need for preventative medical care;

(B) Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; care of a family member who needs preventative medical care;

(C) Closure of the employee's place of business by order of a public official due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or

(D) Absence necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:

(i) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual assault, or stalking;

(ii) Services from a victim services organization;

(iii) Psychological or other counseling;

(iv) Relocation or taking steps to secure an existing home due to the domestic violence, sexual assault, or stalking; or

(v) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual assault, or stalking.

2. Earned paid sick time shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer. When possible, the request shall include the expected duration of the absence.

3. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort to provide notice of the need for such time to the employer in advance of the use of the earned paid sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt the operations of the employer. Where such need is not foreseeable, an employer may require an employee to provide notice of the need for the use of earned paid sick time as soon as practicable.

4. An employer that requires notice of the need to use earned paid sick time where the need is not foreseeable shall provide a written policy that contains procedures for the employee to provide notice. An employer that has not provided to the employee a copy of its written policy for providing such notice shall not deny earned paid sick time to the employee based on non-compliance with such a policy.

5. An employer may not require, as a condition of an employee's taking earned paid sick time, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned paid sick time.

6. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.

7. For earned paid sick time of three or more consecutive work days, an employer may require reasonable documentation that the earned paid sick time has been used for a purpose covered by subsection (1) of this section.

(A) Documentation signed by a health care professional indicating that earned paid sick time is necessary shall be considered reasonable documentation for purposes of this section.

(B) In cases of domestic violence, sexual assault, or stalking, if the employer requests, one of the following types of documentation selected by the employee shall be considered reasonable documentation: (i) a police report indicating that the employee or the employee's family member was a victim of domestic violence, sexual assault, or stalking; (ii) a written statement from an employee or agent of a victim service provider affirming that the employee or employee's family member is or was receiving services from a victim service provider; (iii) documentation signed by a health care professional from whom the employee or employee's family member sought assistance relating to domestic violence, sexual assault, or stalking or the effects thereof; (vi) a court document indicating that an employee or employee's family member is or was involved in a legal action related to domestic violence, sexual assault, or stalking; or (v) a written statement from the employee affirming that the employee or employee's family member is taking or took earned paid sick time for a qualifying purpose of subsection (1) of this section.

(C) An employer may not require that the documentation explain the nature of the illness, details of the underlying health needs, or the details of the domestic violence, sexual assault, or stalking, unless otherwise required by law.

290.609. 1. It shall be unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under sections 290.600 through 290.642.

2. An employer shall not take retaliatory personnel action or discriminate against an employee or former employee because the individual has exercised rights protected under sections 290.600 through 290.642. Such rights include, but are not limited to, the right to request or use earned paid sick time pursuant to sections 290.600 through 290.642; the right to file a complaint or inform any person about any employer's alleged violation of sections 290.600 through 290.642; the right to participate in any investigation, hearing, or proceeding or cooperate with or assist the Department in any investigations of alleged violations of sections 290.600 through 290.642; and the right to inform any person of his or her potential rights under sections 290.600 through 290.642.

3. It shall be unlawful for an employer's absence control policy to count earned paid sick time taken under sections 290.600 through 290.642 as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse action.

4. Protections of this section shall apply to any individual who mistakenly but in good faith alleges violations of sections 290.600 through 290.642.

290.612. 1. Employers shall give employees a written notice about earned paid sick time within fourteen calendar days of the commencement of employment or on April 15, 2025, whichever is later, which must include the following information: (1) beginning May 1, 2025, employees accrue and are entitled to earned paid sick time at the rate one hour of earned paid sick time for every 30 hours of work, and may use earned paid sick time, subject to the limits and terms under sections 290.600 through 290.642 of Missouri law, (2) it is prohibited for an employer to take retaliatory personnel action against employees who request or use earned paid sick time as allowed by law, (3) each employee has the right to bring a civil action if earned paid sick time as required by

sections 290.600 through 290.642 is denied by the employer or the employee is subjected to retaliatory personnel action by the employer for exercising the employee's rights under sections 290.600 through 290.642; and, (4) the contact information for the Department. Notice shall be provided by the Employer to the employee on a single piece of paper, at least 8.5 x 11, in no less than 14-point font.

2. Beginning April 15, 2025, employers shall display a poster that contains the information required in subsection (1) of this section in a conspicuous and accessible place in each establishment where such employees are employed, provided that such poster has been made available by the Department.

3. The Department may create and make available to employers, model notices and posters that contain the information required under subsection (1) of this section for employers' use in complying with subsections (1) and (2) of this section. Nothing in this subsection shall be interpreted or applied, either expressly or through practical necessity, to require the Department to create or make available notices or posters if it requires the appropriation of funds to cover the costs of such acts.

290.615. 1. Employers shall retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period of not less than three years, and shall allow the Department access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of sections 290.600 through 290.642.

2. To the extent permitted by law, the Director may inspect such records, and the records shall be open for inspection by the Director by appointment. Where the records required under this section are kept outside the state, the records shall be made available to the Director upon demand. Every such employer shall furnish to the Director on demand a sworn statement of time records and information upon forms prescribed or approved by the Director. All the records and information obtained by the Department are confidential and shall be disclosed only on order of a court of competent jurisdiction.

3. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department or Director to access or inspect records or to create forms relating to the inspection of records if it requires the appropriation of funds to cover the costs of such acts.

290.618. 1. The Department may, in accordance with chapter 536, promulgate rules for the implementation, enforcement, and administration of sections 290.600 through 290.642. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after November 5, 2024, shall be invalid and void.

2. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the promulgation or adoption of rules if it requires the appropriation of funds to cover the costs of such acts.

290.621. 1. The Department may investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time, and imposing fines for willful violations of up to \$500 per day of each day of a continuing violation. A final decision of the department is subject to review in accordance with the provisions of chapter 536.

2. The Department may develop and implement an outreach program to inform employees, parents, and persons who are under the care of a health care provider about the availability of earned paid sick time under sections 290.600 through 290.642. This program may include the distribution of notices and other written materials to child care and elder care providers, domestic violence shelters, schools, hospitals, community health centers and other health care providers in Missouri.

3. A municipality, county, city, town, or village may adopt ordinances, rules, and regulations to investigate and ascertain compliance with sections 290.600 through 290.642, establish and implement a system to receive complaints regarding non-compliance with sections 290.600 through 290.642 and to investigate and attempt to resolve complaints between the complainant and the subject of the complaint, and establish additional means of enforcement, with respect to employers within, or employees performing work while physically present in, the geographic boundaries of the municipality, county, city, town, or village. Any such ordinance, rule, or regulation shall be consistent with this law and any Department rules or regulations and system for compliance and enforcement. The municipality, county, city, town, or village may exercise such powers as allowed by any applicable charter or ordinance, including requiring by subpoena the testimony of witnesses and production of books, records, and other evidence relative to any matter under investigation or hearing, issuing notices of violation, holding hearings on notices of violation, making determinations, recovering unpaid earned sick time,

and imposing fines for willful violations of up to the maximum allowed for an ordinance violation. Before investigating or seeking to resolve any complaint between the complainant and the subject of the complaint, the municipality, county, city, town, or village shall give notice to the Department with a copy of the complaint and, within 14 days of such notice, the Department may intervene as of right and participate in the matter to ensure that the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642 or, alternatively, the Department may institute its own proceedings in which case the municipality, county, city, town, or village shall refrain from acting on the matter so long as the complaint is being investigated and resolved in the interest of effective enforcement of sections 290.600 through 290.642. If the Department does not, within 14 days, intervene or instigate its own proceedings, the municipality, county, city, town, or village may, without the Department, investigate and attempt to resolve the complaint and take other additional means within its power to enforce sections 290.600 through 290.642 against the subject of the complaint. In no event shall an employer be subject to compliance proceedings arising out of a single set of facts after having already been subjected to a final compliance order by another governmental entity.

4. Nothing in this section shall be interpreted or applied, either expressly or through practical necessity, to require the Department, a municipality, county, city, town, or village to conduct investigations and ascertain compliance with sections 290.600 through 290.642, to establish and implement a system to receive or resolve complaints, to establish additional means of enforcement, or to conduct outreach and education, including the creation of notices and other written materials, concerning sections 290.600 through 290.642, if it requires the appropriation of funds to cover the costs of such acts.

290.624. 1. Any employer who willfully violates or fails to comply with any of the provisions and requirements of sections 290.600 through 290.642 shall be guilty of a class C misdemeanor; provided, however, that an employer who willfully violates the notice and posting requirements of section 290.612 shall be guilty of an infraction.

2. For purposes of this section, each day of violation or failure to comply and each employee affected shall constitute a separate offense.

290.627. 1. Any individual who claims to have been aggrieved by a failure of an employer to comply with any portion of sections 290.600 through 290.642, including but not limited to the failure to provide earned paid sick time or to allow employees to use such time consistent with sections 290.600 through 290.642, or who claims to have suffered a retaliatory personnel action, shall have a right of action and may commence a civil action in the appropriate court of jurisdiction within three years of the accrual of the cause of action, to obtain appropriate relief with respect to such unlawful violation. Such action may be brought without first filing an administrative complaint.

2. In a civil action under this section, if the court finds a violation has occurred, the court may grant as relief, as it deems appropriate and to the extent permitted by law, any permanent or temporary injunction, the full amount of any unpaid earned sick time plus any actual damages suffered as the result of the employer's violation of sections 290.600 through 290.642, an additional amount equal to twice any unpaid earned sick time as liquidated damages, costs, and reasonable attorney's fees as may be allowed by the court, and other legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, reinstatement to employment and back pay.

290.630. 1. Except as otherwise required by law, an employer may not require disclosure of details relating to an employee's or an employee's family member's health information, domestic violence, sexual assault, or stalking as a condition of providing earned paid sick time under sections 290.600 through 290.642.

2. Unless as otherwise required by law, any health or safety information possessed by an employer regarding an employee or employee's family member must:

(A) be maintained on a separate form and in a separate file from other personnel information;

(B) be treated as confidential medical records; and

(C) not be disclosed except to the affected employee or with the express written permission of the affected employee.

290.633. 1. With respect to employees covered by a valid collective bargaining agreement in effect on November 5, 2024, no provisions of sections 290.600 through 290.642 shall apply until the stated expiration date in the collective bargaining agreement; however, further the provisions of sections 290.600 through 290.642 shall apply upon any such agreement's renewal, extension, amendment, or modification in any respect after November 5, 2024.

2. Nothing in sections 290.600 through 290.642 shall be deemed to interfere, impede, or otherwise diminish the right of employees to bargain collectively through representatives of their own choosing in order to establish earned paid sick time or other conditions of work in excess of the applicable minimum standards under the provisions of sections 290.600 through 290.642.

3. Any waiver by an employee of rights under sections 290.600 through 290.642 shall be deemed contrary to public policy and shall be void.

290.636. 1. Nothing in sections 290.600 through 290.642 shall be construed to discourage or prohibit an employer from the adoption or retention of an earned paid sick time policy more generous than the one required herein.

2. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous paid sick time to an employee than required herein. Nothing in sections 290.600 through 290.642 shall be construed as diminishing the rights of public employees regarding paid sick time or use of paid sick time as provided in the laws of Missouri and ordinances of political subdivisions pertaining to public employees.

290.639. 1. Sections 290.600 through 290.642 provide minimum requirements pertaining to earned paid sick time and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of earned paid sick time or that extends other protections to employees.

2. Nothing in sections 290.600 through 290.642 shall be interpreted or applied to create a power or obligation contrary to any federal law, rule, or regulation.

290.642. Except as detailed in section 290.618, all of the provisions of sections 290.600 through 290.642 are severable, and if any provision, including any section, subsection, subdivision, paragraph, sentence, or clause, or the application thereof to any person or circumstance, is found by a court of competent jurisdiction to be invalid, unconstitutional, or unconstitutionally enacted, such decision shall not affect other provisions or applications of sections 290.600 through 290.642 that can be given effect without the invalid, unconstitutional, or unconstitutionally enacted provision or application, and to this end the provisions of sections 290.600 through 290.642 are declared severable.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-025)**

Subject

Initiative petition from Lisa D'Souza regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received January 5, 2023)

Date

January 24, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **Missouri Lottery**, the **State Tax Commission**, the **Missouri Veterans Commission**, the **Missouri Ethics Commission**, the **Missouri Office of Prosecution Services**, the **Kansas City Board of Police Commissioners**, the **Metropolitan Police Department - City of St. Louis**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St.**

Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Children's Trust Fund of Missouri, the Missouri Joint Municipal Electric Utility Commission, the State Auditor's office, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.

Lindsey Baker, Research Director, Missouri Budget Project provided information to the State Auditor's office.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact on their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no impact on their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated this proposal could potentially fiscally impact their department however, at this time, there is no way to estimate said impact.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated:

This petition would amend provisions relating to the accumulation of sick time required for employees depending on how many employees are employed by the employer. It also has various requirements regarding how sick time can be used and procedures employers must use. Violations are deemed misdemeanors, and damages are allowed to be awarded in civil suits. It states that the DOLIR "may" create new notices, promulgate rules, and initiate outreach programs but that the DOLIR is not required to create notices if it requires the appropriation of funds. It also states that the DOLIR may inspect employment records and investigate complaints of noncompliance. Still, such inspection is not required if it requires the appropriation of funds, and the cost estimate would be zero.

The funding source will be from General Revenue if the DOLIR receives complaints to enforce it. Therefore the DOLIR estimates it would need two Regulatory Auditors and one Administrative Support Assistant person at an annual ongoing cost of \$255,975 by 2027, plus an initial information technology (IT) component of \$28,318 and office equipment of \$25,011.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no impact to their department.

Officials from the **Department of Social Services** indicated no impact anticipated by their department.

Officials from the **Governor's Office** indicated this proposal relating to employee benefits does not financially impact their office as the proposal excludes government entities.

Officials from the **House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated because this initiative petition exempts the state, any agency or commission of the state, etc., from the definition of employer, their department does not anticipate any fiscal impact.

Officials from the **Department of Transportation** indicated this initiative petition excludes the state from the requirements of the proposed new law. Therefore there is no anticipated fiscal impact to their department.

Officials from the **Office of Administration** indicated this proposal relating to employee leave does not financially impact their office due to an exemption for government entities in the initiative petition.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated the proposed initiative petition creates a new offense under section 290.624 which could result in additional cases eligible for State Public Defender (SPD) representation. The number of additional cases is unknown and as a result the fiscal impact is unknown. However, if the offenses, which are

classified as misdemeanors, were class D misdemeanors, jail time would not be a possible sentence and the offense therefore would not be eligible for SPD representation.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated this petition does not apply to county governments under Section 6 for the definition of an employer. Clay County provides more generous sick leave than this measure as well.

They do estimate additional costs from this petition of **\$2,000** a year between the Circuit Court and Prosecutor to enforce the misdemeanor and civil action provisions.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Chapter 290, RSMo.

Officials from **St. Louis County** indicated this initiative petition has no apparent fiscal impact on their county.

Officials from the **City of Kansas City** indicated this would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated their college appears to offer benefits that exceed the petition and therefore they do not see a cost or cost savings with regard to the petition.

Officials from the **Missouri Lottery** indicated no fiscal impact to their agency.

Officials from the **State Tax Commission** indicated this initiative petition will not have a fiscal impact on their agency.

Officials from the **Missouri Veterans Commission** indicated this initiative petition creates no fiscal impact to their Commission. The definition of the term "employer" in the proposed section 290.600(6) specifically excludes the state and its agencies, so the requirements of the petition would not apply to the Commission.

Officials from the **Missouri Ethics Commission** indicated this initiative petition does not have fiscal impact on their Commission.

Officials from the **Kansas Board of Police Commissioners** indicated they are exempt as a political subdivision of the state.

Officials from the **St. Louis County Board of Elections** indicated they predict no fiscal impact from this petition.

Officials from the **Platte County Board of Elections** indicated no impact.

Officials from the **Jackson County Election Board** indicated this petition has no fiscal impact to their board.

Officials from the **Children's Trust Fund** indicated no impact.

Officials from the **State Auditor's office** indicated since this proposed initiative petition does not apply to government entities, this would have no fiscal impact on their office.

Lindsey Baker, Research Director, Missouri Budget Project indicated in summary, they estimate the fiscal impact of earned sick leave on state and local revenue is minimal because the increased revenue and decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy. She also provided the following information:



Estimated Fiscal Impact of Earned Sick Leave Petitions 24-025-042

We estimate the fiscal impact of earned sick leave on state & local revenue is minimal because the increased revenue & decreased spending associated with a stronger workforce and healthier communities will more than offset the modest administrative expenses outlined in previous estimates. Further, earned sick leave has the potential to provide substantial societal savings and a significant boost to Missouri's economy.

In addition to helping employees by allowing them to address their health needs without losing their jobs or ability to pay their bills, paid sick leave has many benefits for employers, including a healthier workforce, reduced turnover, and increased productivity. The benefits of paid sick leave have been highlighted by the COVID-19 pandemic, illustrating the importance of workers being able to recover at home without lost wages and without risking spread of contagious disease in the workplace.

Several ballot measures have been filed (24-025-042) that would require employers to provide earned sick leave in Missouri. Though the measures vary slightly, each would require employers to provide a minimum of 3-7 days of paid leave to employees, depending on hours worked and size of business. If implemented, Missouri would join the seventeen states, plus the District of Columbia, who ensure employees can earn paid sick leave to care for themselves or family members.ⁱ

An estimated 211,000 Missourians and their families would benefit from the earned sick time provided through these initiatives, with low-wage workers disproportionately likely to benefit from this policy.ⁱⁱ Expanding earned sick leave in Missouri is estimated to provide a net savings to society of between \$612.4-\$774.1 million annually depending on the number of days provided.ⁱⁱⁱ

Societal Cost-Benefit of Earned Sick Leave in Missouri: Adapted from Dicke, Ohler, & Thorpe (2022)

	3-5 Scenario*	5-7 Scenario*
Estimated Cost Savings	\$1.26B	\$1.29B
- Employment Related Savings	\$436.73M	\$466.6M
- Health Related Savings	\$825.61M	\$825.61M
Estimated Costs (Employer & State Admin)	\$488.22M	\$679.77M
Estimated Net Societal Benefit*	\$774.11M	\$612.44M

**In the 3/5 scenario, small employers are required to offer at least three days of leave and large employers at least five days. The 5/7 scenario requires small employers to offer at least five days of paid sick leave and large employers to offer at least seven days of paid leave. A small employer defined as less than 15 employees.*

Societal Cost Savings from Earned Sick Leave in Missouri

Employment Related Savings. With earned sick leave, Missouri's workforce would become stronger, more stable, and more productive leading to economic growth.

- **Reduced Absenteeism.** Access to earned sick leave allows workers to stay home, reducing the overall spread of illness in the workplace; this leads to fewer illnesses among workers and fewer overall days off work.^{iv}
- **Reduced Turnover.** Access to earned sick leave gives workers the ability to address their health needs and those of their families, without having to quit a job or risk being fired. Access to paid sick leave is associated with reduced job turnover, which in turn creates significant savings for businesses.^v
- **Reduced Presenteeism.** Employers who do not offer paid sick leave have higher rates of "presenteeism" or lost productivity due to employees working while injured or sick.^{vi} Offering paid sick leave reduces the likelihood of working at reduced capacity and allows workers to recover from illness or injury more quickly.

Health Related Savings. With earned sick leave, Missouri would become a healthier state as workers would have the ability to care for themselves and their families, while simultaneously benefiting their communities.

- **Reduced Flu Contagion in Society.** Workers without paid sick leave are more likely to come to work sick, increasing the likelihood of spreading the illness.^{vii} Access to paid sick leave allows workers to stay home when ill, thus reducing the overall spread of influenza throughout the community.
- **Reduced Workers Compensation Costs.** Workers with access to paid leave are less likely to be injured on the job,^{viii} reducing overall workers comp claims and cost to employers.
- **Reduced ER Visits.** Paid sick leave is associated with fewer trips to the emergency room.^{ix} Access to paid sick leave allows workers to properly care for themselves and family members during an illness, preventing an escalation of the illness.
- **Improved Nursing Home Care.** Unpaid sick leave is especially problematic in nursing homes as the residents are especially vulnerable to the consequences of high turnover, absenteeism and presenteeism.^x Access to paid sick leave allows nursing home workers to take care of themselves so that they can better care for residents.

Estimated Fiscal Impact of Petitions 24-025-042

While previous estimates show a cost associated with state level administration and enforcement for earned sick leave of approximately \$1 million, we also expect that earned sick leave will be associated with a significant potential for increased revenue collections & decreased spending on services associated with the cost savings outlined above.

- **Increased revenue collections.** A stronger and more productive workforce is associated with economic growth. Economic growth is in turn associated with growth in both state and local revenue as both sales & income tax collections rise due to increased spending and wages.
- **Reductions in spending on services.** When workers are able to care for themselves and their families (and others in their community) they are less likely to have minor illnesses escalate into costly health problems. This reduces the overall cost of health care, particularly among low-wage workers who are disproportionately likely to lack access to paid leave. This in turn reduces state and local spending on health other related public services.

As a result, we estimate the fiscal impact on state & local revenue of earned sick leave will be minimal as the increased revenue & decreased spending associated with a stronger workforce and healthier communities will offset the modest expenses associated with state level administration. While we are confident that a net savings will be realized, the size of the savings is too speculative to estimate exact fiscal impact.

Notes:

ⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱ Estimate based on 3-5 scenario from Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

ⁱⁱⁱ Dicke, Ohler, & Thorpe. (2022). Research on Paid Leave in Missouri. MU Institute of Public Policy.

^{iv} Stearns, J., & White, C. (2018). Can paid sick leave mandates reduce leave-taking?. *Labour Economics*, 51, 227-246.

^v Hill, H. D. (2013). Paid sick leave and job stability. *Work and occupations*, 40(2), 143-173.

^{vi} DeRigne, L., Stoddard-Dare, P., & Quinn, L. (2016). Workers without paid sick leave less likely to take time off for illness or injury compared to those with paid sick leave. *Health Affairs*, 35(3), 520-527.

^{vii} Abay Asfaw, D., Rosa, R., & Pana-Cryan, R. (2017). Potential economic benefits of paid sick leave in reducing absenteeism related to the spread of influenza-like illness. *Journal of occupational and environmental medicine*, 59(9), 822.

^{viii} Hawkins, D., & Zhu, J. (2019). Decline in the rate of occupational injuries and illnesses following the implementation of a paid sick leave law in Connecticut. *American Journal of Industrial Medicine*, 62(10), 859-873.

^{ix} Ko, H., & Glied, S. A. (2021, May). Associations between a New York City paid sick leave mandate and health care utilization among medicaid beneficiaries in New York City and New York state. In *JAMA Health Forum* (Vol. 2, No. 5, pp. e210342-e210342). *American Medical Association*.

^x Datta, P. (2021). The impact of mandated paid sick leave laws on the long-term care industry.

Cassandra Gomez, Senior Staff Attorney, A Better Balance provided the following information:



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January 14, 2023

The Honorable Scott Fitzpatrick
Missouri State Auditor
State Auditor's Office
301 West High St., Rm. 880
Jefferson City, MO 65102

Submitted via e-mail to fiscalnote@auditor.mo.gov

Re: Proposal Related to Chapter 290, RSMo, Petition 2024-025-042

Dear Auditor Fitzpatrick:

A Better Balance is writing to submit our fact sheet titled "Paid Sick Leave Is Good for Business" to accompany petition 24-025-042 and to inform the fiscal note process. We thank you for considering our submission.

A Better Balance, a national nonprofit advocacy organization with four regional offices, uses the power of the law to ensure that working individuals can care for themselves and their loved ones without jeopardizing their economic security. Through legislative advocacy, policy, direct legal services, strategic litigation, and public education, our organization works around the country to advance policies like paid sick leave, paid family and medical leave, quality childcare and eldercare, and anti-discrimination protections for pregnant workers and caregivers. From Arizona and Colorado to Duluth (MN) and beyond, our organization has worked on the growing number of paid sick leave laws now in effect.

The enclosed fact sheet summarizes research and data on the resoundingly positive effect that paid sick leave has on business. When paid sick leave policies are in place, businesses financially benefit from increased worker productivity, reduced spread of contagious illness in the workplace, and lower employee turnover. Research has also underscored that workers and the larger community also have better health outcomes overall when there is access to paid sick leave. As documented in the attached fact sheet, paid sick leave has been shown to work well for businesses and workers throughout the country.

Thank you for giving us the opportunity to submit this information. Please do not hesitate to contact A Better Balance at cgomez@abetterbalance.org if we can provide any additional assistance.

Sincerely,
A Better Balance

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Paid Sick Leave Is Good for Business

The research is clear: paid sick leave isn't just good for workers, it's good for business as well. Healthy workers are essential to a successful business and a strong economy. When workers have access to paid sick leave, they demonstrate increased job satisfaction, commitment, and morale, while employers—and their bottom lines—reap the benefits of increased worker performance and productivity and reduced worker turnover. And access to guaranteed paid sick leave is a vital component to keeping businesses open and safe through the COVID-19 pandemic and beyond.

Access to paid sick leave increases worker productivity and reduces the spread of contagious illness in the workplace, leading to direct savings for businesses.

- Workers with minor illnesses are less productive than their healthy co-workers.¹ Paid sick leave reduces presenteeism (when employees show up to work while sick), which costs businesses approximately \$207.6 billion annually in reduced productivity.² After Washington State implemented its paid sick leave law, for example, the percentage of workers that went to work while sick decreased significantly.³
- Paid sick leave also reduces the spread of contagion between co-workers—further increasing productivity and labor in the workplace.⁴ Absenteeism caused by the introduction of flu-like illness in the workplace is estimated to cost employers up to 111 million workdays per year.⁵ Even before the pandemic, states with paid sick leave requirements saw a 40% decrease in influenza rates.⁶

Paid sick leave has proven to be particularly crucial to keeping businesses open during the COVID-19 pandemic.

- As the country with the highest cumulative number of COVID-19 cases,⁷ and the only one of the thirteen G12 countries with no paid sick leave,⁸ it is undeniable that the U.S. will need paid sick leave to end this crisis, to save lives, and to minimize disruption to businesses struggling to avoid the spread of COVID-19 in the workplace.
- Paid sick leave has been critical to keeping businesses open throughout the pandemic. One study found that states in which workers gained temporary access to paid sick leave through the federal Families First Coronavirus Response Act⁹ had around 400 fewer confirmed COVID-19 cases per day as a result.¹⁰

Employers with paid sick leave benefit from reduced worker turnover and better relationships with their employees, saving employers the cost of recruiting, interviewing, and training new hires.

- In general, worker turnover is estimated to cost employers the equivalent of 21% of a worker's annual compensation.¹¹ However, providing paid sick leave only increases labor costs by an average of 2.7 cents per hour worked¹² and workers with paid sick leave are less

likely to leave their jobs,¹³ saving businesses money on turnover costs such as interviewing and training.¹⁴

- Paid sick leave also increases worker loyalty and job satisfaction—factors known to increase productivity and job retention.¹⁵ After Connecticut’s paid sick law went into effect, nearly 30% of surveyed employers reported improved employee morale, and over 20% reported increased employee motivation or loyalty.¹⁶
- Two years after paid sick leave went into effect in New York City, one employer reported that “the impact that I saw in my business was a much stronger bond between ourselves and our employees, higher productivity, and a *more* successful business, not a *less* successful business.”¹⁷

Paid sick leave also saves employers money by reducing the likelihood of workplace accidents.

- Throughout the country, direct and indirect costs associated with on-the-job injuries cost employers billions of dollars.¹⁸ Workers with paid sick leave are 28% less likely than workers without access to paid sick leave to be injured on the job.¹⁹

Lack of paid sick leave makes workers more likely to go to work while sick and puts co-workers and our communities at risk. With paid sick leave, our workplaces and communities are healthier, which improves the bottom line for employers.

- Access to sick leave will be essential to overcoming the COVID-19 pandemic, as evidenced by previous pandemics. For example, it is estimated that the lack of paid sick leave was responsible for 5 million incidents of flu-like illness during the H1N1 pandemic.²⁰
- In a simulated influenza epidemic, 72% of employees who caught the flu at work did so because of exposure to other employees attending work while sick; paid sick days would reduce flu incidences among workers by approximately 6% across all workplaces, and by over 7% in workplaces with 49 or fewer employees.²¹
- As explained above, access to paid sick leave reduces presenteeism (employees showing up to work while sick) and reduces overall contagion.²² Presenteeism is linked to the spread of harmful contagions to co-workers and customers.²³
- A study of data from the 2009 flu outbreak found that workers with paid sick leave were 30 percent more likely to be vaccinated and were more likely to seek treatment when they were sick with flu-like symptoms compared to those without paid sick leave.²⁴ This has proven true for COVID-19 as well—in June 2021, workers whose employers provided paid time off to get the vaccine or recover from any side effects were 24% more likely to have received at least one dose of the vaccine than workers whose employers provided no paid vaccine leave.²⁵
- A lack of access to paid sick days is particularly harmful for service industry workers. Nearly two-thirds of restaurant workers have cooked or served food while sick,²⁶ and in 2011, nearly one in five food service workers went to work vomiting or with diarrhea, creating dangerous health conditions.²⁷

- People without access to paid sick leave are 1.5x more likely to go to work while they have a contagious illness and are nearly twice as likely to send a sick child to school or daycare than those with access to it.²⁸
- States that have implemented paid sick leave laws had an 11% decrease of cases of flu-like illnesses in their first year after enactment.²⁹

Workers with paid sick leave are more likely to seek preventative care than workers without paid sick leave, leading to better health outcomes and less time away from work.

- People without paid sick days tend to be unable to make time for preventative health care, such as cancer screenings and flu shots, which makes it more likely that such workers will have more significant healthcare needs at later stages of an illness.³⁰
- Workers with access to paid sick days report better general health than workers without paid sick days and are less likely to delay preventive medical care for themselves or for their family.³¹

Paid sick leave has proven to work well for businesses all over the U.S., and experience shows that workers don't abuse paid sick leave.

- Business practices don't have to change to keep up with paid sick leave laws. In a survey of New York City employers after the city's paid sick law was implemented, 91% of employers reported no reduction in hiring, 97% indicated they did not reduce hours, about 94% did not raise prices, and nearly 85% of employers reported no change in their overall business costs.³²
 - In a similar survey of employers in Connecticut a year and a half after the state's paid sick law went into effect, nearly 90% of employers reported no reduction in hours, and about 85% did not raise prices.³³
- Paid sick leave laws stimulate economic growth. When San Francisco's paid sick law went into effect in 2007, the city's job growth actually exceeded that of nearby counties, despite unfounded fears that the law would cause an economic slowdown.³⁴
 - In comparison to other surrounding cities, Seattle saw greater increases in the number of employers in the city when its paid sick leave law was implemented,³⁵ and in general, job growth continued on an upward trend.³⁶
 - After New York City's paid sick days were implemented, the average wage for hourly workers increased and the average number of weekly absences declined.³⁷ On the law's first anniversary, the New York City government released a report touting its successful implementation and noting that since the law went into effect, "the city has had steady job growth and the lowest unemployment in six years."³⁸
- Workers don't abuse paid sick leave. After New York implemented its paid sick leave law, 98% of employers reported no cases of employee abuse of sick days.³⁹

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- Employers know that paid sick leave laws work. Two years after New York City’s paid sick law was implemented, a staggering 86% of New York City employers polled supported the law.⁴⁰
- Studies in Washington, D.C. and Seattle also saw no negative economic effects following implementation of their paid sick leave laws in either job loss or movement of businesses out of the city. A report from the Washington D.C. Auditor, issued five years after passage of the District’s sick leave law, found that the law “did not have the economic impact of encouraging business owners to move a business from the District nor did the [law] have the economic impact of discouraging business owners to locate a business in the District of Columbia.”⁴¹ Likewise, a study of the economic impact of Seattle’s sick leave law found that a “preliminary look at available data shows no widespread negative economic impact as some opponents of the ordinance feared.”⁴²
- Recognizing the benefits of paid sick leave, San Francisco, Washington, D.C., and New York City—all among the earliest adopters of paid sick leave laws—later *expanded* their paid sick leave laws, underscoring how well these laws are working for workers, employers, and communities.

For more information on paid sick leave policies, including summaries of existing paid sick leave laws, visit <https://www.abetterbalance.org/our-issues/paid-sick-time/>.

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¹ Andrew Smith, *A Review of the Effects of Colds and Influenza on Human Performance*, 39 J. Soc’y Occupational Med. 65 (1989).

² Walter F. Stewart et al., *Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit*, 45 J. Occupational & Envtl. Med. 1234 (Dec. 2003), <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf> (unpublished calculation based on \$226 billion annually in lost productivity, 71 percent due to presenteeism).

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¹² Catherine Maclean et al., *Mandated Sick Pay: Coverage, Utilization, and Welfare Effects* 4, Washington Center for Equitable Growth (Jan. 2022), <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>.

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¹³ Vicky Lovell, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, Inst. for Women's Pol'y Res. 7 (Apr. 2005), <https://iwpr.org/iwpr-general/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act-2/>.

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<https://www.americanprogress.org/issues/economy/news/2012/11/16/45152/myth-vs-fact-paid-sick-days/>; Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Inst. for Women's Pol'y Res. 4 (2004), <https://iwpr.org/iwpr-general/no-time-to-be-sick-why-everyone-suffers-when-workers-dont-have-paid-sick-leave/>.

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⁴⁰ *Id.* at 28.

⁴¹ Yolanda Branche, "Audit of the Accrued Sick and Safe Leave Act of 2008," Office of the District of Columbia Auditor (June 2013), p. 19, <http://dcauditor.org/report/audit-of-the-accrued-sick-and-safe-leave-act-of-2008/>.

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The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, the Missouri Office of Prosecution Services, the Metropolitan Police Department - City of St. Louis, the Board of Election Commissioners City of St. Louis, the Kansas City Board of Election Commissioners, the Clay County Board of Election Commissioners, the Lieutenant Governor's office, the Missouri Joint Municipal Electric Utility Commission, the Metropolitan Zoological Park and Museum District, the Missouri Municipal League, the Missouri Bar Association, the Missouri Gaming Commission, the Municipal League of Metro St. Louis, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate no savings, one-time costs ranging from \$0 to \$53,000, and ongoing costs ranging from \$0 to \$256,000 per year by 2027. Local governmental entities estimate no costs or savings.



JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

December 30, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

JAN 03 2023

STATE AUDITORS OFFICE

RE: Petition approval request from Winston Apple regarding a proposed constitutional amendment to Article III, version 5 (2024-024)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Winston Apple on December 30, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do _____ do not _____ (check one) expect to be paid for circulating this petition. If paid, list the payer _____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20____

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

thereafter the governor shall appoint a senate independent bipartisan citizens commission consisting of two nominees from each list submitted by each state committee and one nominee from each list submitted by each congressional district committee, to redistrict the thirty-four senatorial districts and to establish the numbers and boundaries of said districts. No person shall be appointed to both the house independent bipartisan citizens commission and the senate independent bipartisan citizens commission during the same redistricting cycle.

If any committee fails to submit a list within such time, the governor shall appoint a member of his or her own choice from the political party of the committee failing to submit a list, provided that in the case of a congressional district committee failing to submit a list, the person appointed to the commission by the governor shall reside in the congressional district of such committee.

Members of the commission shall be disqualified from holding office as members of the general assembly for four years following the date of the filing by the commission of its final redistricting plan.

(b) The commissioners so selected shall, on the fifteenth day, excluding Sundays and state holidays, after all members have been appointed, meet in the capitol building and proceed to organize by electing from their number a chairman, vice chairman and secretary. The commission shall adopt an agenda establishing at least three hearing dates on which hearings open to the public shall be held to hear objections or testimony from interested persons. A copy of the agenda shall be filed with the secretary of the senate within twenty-four hours after its adoption. Executive meetings may be scheduled and held as often as the commission deems advisable.

(c) The senate independent bipartisan citizens commission shall redistrict the senate using the same methods and criteria as those required by subsection (b), section 3 of this Article for the redistricting of the house of representatives.

(d) Not later than five months after the appointment of the senate independent bipartisan citizens commission, the commission shall file with the secretary of state a tentative redistricting plan and map of the proposed districts and during the ensuing fifteen days shall hold such public hearings as may be necessary to hear objections or testimony of interested persons. The commission shall make public the tentative redistricting plan and map of the proposed districts, as well as all demographic and partisan data used in the creation of the plan and map.

(e) Not later than six months after the appointment of the commission, the commission shall file with the secretary of state a final statement of the numbers and the boundaries of the districts together with a map of the districts, and no statement shall be valid unless approved by at least seven-tenths of the members.

(f) After the final statement is filed, senators shall be elected according to such districts until a new redistricting plan is made as provided in this section, except that if the final statement is not filed within six months of the time fixed for the appointment of the commission, the commission shall stand discharged and the senate shall be redistricted using the same methods and criteria as described in subsection (b) of section 3 of this Article by a commission of six members appointed from among the judges of the appellate courts of the state of Missouri by the state supreme court, a majority of whom shall sign and file its redistricting plan and map with the secretary of state within ninety days of the date of the discharge of the senate independent bipartisan citizens commission. The judicial commission shall make public the tentative redistricting plan and map of the proposed districts, as well as all demographic and partisan data used in the creation of the plan and map. Thereafter, senators shall be elected according to such districts until a redistricting plan is made as provided in this section.

(g) Each member of the commission shall receive as compensation fifteen dollars a day for each day the commission is in session, but not more than one thousand dollars, and, in addition, shall be reimbursed for his or her actual and necessary expenses incurred while serving as a member of the commission.

(i) Any action expressly or implicitly alleging that a redistricting plan violates this Constitution, federal law, or the United States Constitution shall be filed in the circuit court of Cole County and shall name the body that approved the challenged redistricting plan as a defendant. Only an eligible Missouri voter who sustains an individual injury by virtue of residing in a district that exhibits the alleged violation, and whose injury is remedied by a differently drawn district, shall have standing. If the court renders a judgment in which it finds that a completed redistricting plan exhibits the alleged violation, its judgment shall adjust only those districts, and only those parts of district boundaries, necessary to bring the map into compliance. The supreme court shall have exclusive appellate jurisdiction upon the filing of a notice of appeal within ten days after the judgment has become final.]

[Section 9. Until the convening of the Seventy-fourth General Assembly the House of Representatives shall consist of one hundred sixty-three members elected from the one hundred sixty-three representative districts, as they existed January 1, 1965.]

[Section 10. The last decennial census of the United States shall be used in apportioning representatives and determining the population of senatorial and representative districts. Such districts may be altered from time to time as public convenience may require.]

Section 13. If any senator or representative is removed from office for any reason, dies, resigns, or [remove his residence from the district or county for which he was elected,] removes her or his residence from the state of Missouri, her or his office shall thereby be vacated.

Section 14. [Writs of election to fill vacancies] Vacancies in either house of the general assembly shall be filled by the candidates for the senate or for the house in each congressional district who was (were), in order, the last candidate(s) eliminated and who therefore would have next been elected according to the tabulation of ranked choice votes in the last election of members of that house and congressional district, [issued by the governor.]

(d) The commissioners so selected shall, on the fifteenth day, excluding Sundays and state holidays, after all members have been appointed, meet in the capitol building and proceed to organize by electing from their number a chairman, vice chairman and secretary. The commission shall adopt an agenda establishing at least three hearing dates on which hearings open to the public shall be held to hear objections or testimony from interested persons. A copy of the agenda shall be filed with the clerk of the house of representatives within twenty-four hours after its adoption. Executive meetings may be scheduled and held as often as the commission deems advisable.

(e) Not later than five months after the appointment of the commission, the commission shall file with the secretary of state a tentative redistricting plan and map of the proposed districts and during the ensuing fifteen days shall hold such public hearings as may be necessary to hear objections or testimony of interested persons. The commission shall make public the tentative redistricting plan and map of the proposed districts, as well as all demographic and partisan data used in the creation of the plan and map.

(f) Not later than six months after the appointment of the commission, the commission shall file with the secretary of state a final statement of the numbers and the boundaries of the districts together with a map of the districts, and no statement shall be valid unless approved by at least seven-tenths of the members.

(g) After the final statement is filed, members of the house of representatives shall be elected according to such districts until a new redistricting plan is made as provided in this section, except that if the final statement is not filed within six months of the time fixed for the appointment of the commission, the commission shall stand discharged and the house of representatives shall be redistricted using the same methods and criteria as described in subsection (b) of this section by a commission of six members appointed from among the judges of the appellate courts of the state of Missouri by the state supreme court, a majority of whom shall sign and file its redistricting plan and map with the secretary of state within ninety days of the date of the discharge of the house independent bipartisan citizens commission. The judicial commission shall make public the tentative redistricting plan and map of the proposed districts, as well as all demographic and partisan data used in the creation of the plan and map. Thereafter, members of the house of representatives shall be elected according to such districts until a redistricting plan is made as provided in this section.

(h) Each member of the commission shall receive as compensation fifteen dollars a day for each day the commission is in session but not more than one thousand dollars, and, in addition, shall be reimbursed for his or her actual and necessary expenses incurred while serving as a member of the commission.

(j) Any action expressly or implicitly alleging that a redistricting plan violates this Constitution, federal law, or the United States Constitution shall be filed in the circuit court of Cole County and shall name the body that approved the challenged redistricting plan as a defendant. Only an eligible Missouri voter who sustains an individual injury by virtue of residing in a district that exhibits the alleged violation, and whose injury is remedied by a differently drawn district, shall have standing. If the court renders a judgment in which it finds that a completed redistricting plan exhibits the alleged violation, its judgment shall adjust only those districts, and only those parts of district boundaries, necessary to bring the map into compliance. The supreme court shall have exclusive appellate jurisdiction upon the filing of a notice of appeal within ten days after the judgment has become final.]

Section 4. Each representative shall be twenty-four years of age, and next before the day of her or his election, shall have been a qualified voter for two years and a resident of the [county or] congressional district which she or he is chosen to represent for one year, if such [county or] congressional district shall have been so long established, and if not, then of the [county or] congressional district from which the same shall have been taken.

Section 5. The senate shall consist of thirty-four members elected at-large by the qualified voters of the state of Missouri [senatorial districts] for a term of four years. [Senatorial districts shall be apportioned as provided for in Article III, Section 7.]

Section 6. Each senator shall be thirty years of age, and next before the day of his election shall have been a qualified voter of the state of Missouri for three years [and a resident of the district which he is chosen to represent for one year, if such district shall have been so long established, and if not, then of the district or districts from which the same shall have been taken].

Section 7. (a) Beginning with the election of senators and representatives to be held in the year two thousand and twenty-six there will be no primary election for those offices. All candidates who file to run for the senate or the house of representatives will be listed on the ballot for the general election with no party affiliation listed on the ballot. The general election shall be carried out using a system of ranked choice voting. Each voter shall be able to rank a minimum of three candidates for the office of senator and three candidates for the office of representative in the order of the voter's preference. If feasible, the ballot shall permit voters to rank a total of ten candidates for the senate and ten candidates for the house, or as close to that number of choices as feasible. A number of spaces equal to the number of choices voters are able to rank shall be provided for voters to write in the names of candidates not appearing on the ballot. Votes shall be tabulated for all write-in candidates who have properly registered with the secretary of state. The ballot shall be simple and easy to understand, with instructions necessary to enable voters to successfully cast ballots under the system.

(b) Votes shall be tabulated according to the following method: Tabulation shall proceed in sequential rounds. In the initial round of tabulation, only the first-choice votes on each ballot shall be tabulated. If more than seventeen candidates for senator or more than twenty candidates for the house from a congressional district receive first-choice votes, the candidate for each office with the fewest first-choice votes shall be eliminated and the second-choice votes of voters who cast first-choice votes for the eliminated candidates shall be distributed among the "continuing candidates". In the second round of tabulation and each additional round of tabulation, the candidate for the office of senator and the candidate for the office of representative in each congressional district with the fewest number of "cumulative votes" shall be eliminated and the continuing candidate listed as the highest remaining choice on each such ballot for eliminated candidates shall have a vote added to her or his cumulative vote total. That process of elimination shall be continued for as many rounds of tabulation as necessary until there are seventeen continuing candidates remaining for the senate and twenty continuing candidates remaining for the house in each congressional district. Those continuing candidates are then elected.

(c) Once a ballot no longer includes one or more continuing candidates among the choices listed, it is an "exhausted ballot". If a ballot lists more than one candidate at a given rank, each of the candidates listed at that rank shall receive a fractional vote. (One-half vote if there are two candidates listed, one-third of a vote if three candidates are listed, et cetera.) If a ballot is left blank at any rank but has additional choices listed at lower ranks, the blank rank shall be ignored.

[(a) Within sixty days after the population of this state is reported to the President for each decennial census of the United States, or within sixty days after a redistricting plan has been invalidated by a court of competent jurisdiction, the state committee and the congressional district committees of each of the two political parties casting the highest vote for governor at the last preceding general election shall meet and the members of each committee shall nominate, by a majority vote of the elected members of the committee present, provided that a majority of the elected members is present, members of their party, residents in that district, in the case of a congressional district committee, as nominees for the senate independent bipartisan citizens commission. No party shall select more than one nominee from any one state legislative district. The congressional district committees shall each submit to the governor their list of two elected nominees. The state committees shall each submit to the governor their list of five elected nominees. Within thirty days

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article III of the Constitution is revised by repealing Sections 9 and 10 and amending Sections 3, 4, 5, 6, 7, 13, and 14 to read as follows:

Section 3. [(a)] The house of representatives shall consist of [one hundred sixty-three] twenty members elected from each congressional district at each general election [and redistricted as provided in this section].

[(b)] The house independent bipartisan citizens commission shall redistrict the house of representatives using the following methods, listed in order of priority:

(1) Districts shall be as nearly equal as practicable in population, and shall be drawn on the basis of one person, one vote. Districts are as nearly equal as practicable in population if no district deviates by more than one percent from the ideal population of the district, as measured by dividing the number of districts into the statewide population data being used, except that a district may deviate by up to three percent if necessary to follow political subdivision lines consistent with subdivision (4) of this subsection; (2) Districts shall be established in a manner so as to comply with all requirements of the United States Constitution and applicable federal laws, including, but not limited to, the Voting Rights Act of 1965 (as amended). The following principles shall take precedence over any other part of this constitution: no district shall be drawn in a manner which results in a denial or abridgment of the right of any citizen of the United States to vote on account of race or color, and no district shall be drawn such that members of any community of citizens protected by the preceding clause have less opportunity than other members of the electorate to participate in the political process and to elect representatives of their choice;

(3) Subject to the requirements of subdivisions (1) and (2) of this subsection, districts shall be composed of contiguous territory as compact as may be. Areas which meet only at the points of adjoining corners are not contiguous. In general, compact districts are those which are square, rectangular, or hexagonal in shape to the extent permitted by natural or political boundaries;

(4) To the extent consistent with subdivisions (1) to (3) of this subsection, communities shall be preserved. Districts shall satisfy this requirement if district lines follow political subdivision lines to the extent possible, using the following criteria, in order of priority. First, each county shall wholly contain as many districts as its population allows. Second, if a county wholly contains one or more districts, the remaining population shall be wholly joined in a single district made up of population from outside the county. If a county does not wholly contain a district, then no more than two segments of a county shall be combined with an adjoining county. Third, split counties and county segments, defined as any part of the county that is in a district not wholly within that county, shall each be as few as possible. Fourth, as few municipal lines shall be crossed as possible;

(5) Districts shall be drawn in a manner that achieves both partisan fairness and, secondarily, competitiveness, but the standards established by subdivisions (1) to (4) of this subsection shall take precedence over partisan fairness and competitiveness. "Partisan fairness" means that parties shall be able to translate their popular support into legislative representation with approximately equal efficiency. "Competitiveness" means that parties' legislative representation shall be substantially and similarly responsive to shifts in the electorate's preferences.

To this end, the average electoral performance of the two political parties receiving the most votes in the three preceding general elections for governor, for United States Senate, and for President of the United States shall be calculated. This index shall be defined as the total votes received by each party in the three preceding general elections for governor, for United States Senate, and for President of the United States, divided by the total votes cast for both parties in these elections. Using this index, the total number of wasted votes for each party, summing across all of the districts in the plan shall be calculated. "Wasted votes" are votes cast for a losing candidate or for a winning candidate in excess of the threshold needed for victory. In any redistricting plan and map of the proposed districts, the difference between the two parties' total wasted votes, divided by the total votes cast for the two parties, shall not exceed fifteen percent.

To promote competitiveness, the electoral performance index shall be used to simulate elections in which the hypothetical statewide vote shifts by one percent, two percent, three percent, four percent, and five percent in favor of each party. The vote in each individual district shall be assumed to shift by the same amount as the state-wide vote. In each of these simulated elections, the difference between the two parties' total wasted votes, divided by the total votes cast for the two parties, shall not exceed fifteen percent.

(c) Within sixty days after the population of this state is reported to the President for each decennial census of the United States or, in the event that a redistricting plan has been invalidated by a court of competent jurisdiction, within sixty days that such a ruling has been made, the state committee and the congressional district committees of each of the two political parties casting the highest vote for governor at the last preceding general election shall meet and the members of each committee shall nominate, by a majority vote of the elected members of the committee present, provided that a majority of the elected members is present, members of their party, residents in that district, in the case of a congressional district committee, as nominees for the house independent bipartisan citizens commission. No party shall select more than one nominee from any one state legislative district. The congressional district committees shall each submit to the governor their list of two elected nominees. The state committees shall each submit to the governor their list of five elected nominees. Within thirty days thereafter, the governor shall appoint a house independent bipartisan citizens commission consisting of one nominee from each list submitted by each congressional district committee and two nominees from each list submitted by each state committee to redistrict the state into one hundred and sixty-three representative districts and to establish the numbers and boundaries of said districts. No person shall be appointed to both the house independent bipartisan citizens commission and the senate independent bipartisan citizens commission during the same redistricting cycle.

If any committee fails to submit a list within such time, the governor shall appoint a member of his or her own choice from the political party of the committee failing to submit a list, provided that in the case of a congressional district committee failing to submit a list, the person appointed to the commission by the governor shall reside in the congressional district of such committee.

Members of the commission shall be disqualified from holding office as members of the general assembly for four years following the date of the filing by the commission of its final redistricting plan.]

For the purposes of this Article, the term [congressional district committee or] congressional district refers to [the congressional district committee or] the congressional district from which a member of Congress [congressman] was last elected, or, in the event members of congress from this state have been elected at large, [the term congressional district committee refers to those persons who last served as the congressional district committee for those districts from which congressmen were last elected, and] the term congressional district refers to those districts from which members of Congress [congressmen] were last elected. [Any action pursuant to this section by the congressional district committee shall take place only at duly called meetings, shall be recorded in their official minutes and only members present in person shall be permitted to vote.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-024)**

Subject

Initiative petition from Winston Apple regarding a proposed constitutional amendment to Article III. (Received January 03, 2023)

Date

January 23, 2023

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, and the **Clay County Board of Election Commissioners**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there will be no fiscal impact to their agency.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article III.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's office.

Officials from the **Missouri Department of the National Guard** indicated no impact to their department.

Officials from the **Department of Social Services** indicated their department does not anticipate any fiscal impact from this petition.

Officials from the **Governor's office** indicated this proposal related to ranked voting and at large elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated that if they have interpreted this correctly it would take their membership down to 160 members. Below would be the impact to reduce their membership to 160 members.

The impact to the House is as follows:

First year of impact-Impact on half the fiscal year.
Cost savings of (\$158,391.22)

Second year-will be the first year they realize the full impact of the reduction in membership.

Cost savings of an additional (\$123,397.14) (a full year of the change based on their current costs would be a savings of \$281,788.36 for a full year)

The costs savings come from member salaries, per diem, member mileage, member expense accounts, and a reduction in the number of legislative assistant staff needed.

Officials from the **Department of Conservation** indicated they do not anticipate any fiscal impact associated with this initiative petition.

Officials from the **Department of Transportation** indicated this proposed initiative petition would have no fiscal impact on their department.

Officials from the **Office of Administration** indicated this proposal relating to ranked voting and at large elections does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated this petition would change the composition of the General Assembly and cause representatives to be elected by congressional district using ranked-choice voting and senators from the state at-large. At each general election, voters would see a list of all representative candidates from their congressional district on their ballot and all senator candidates for the state, with the ability to rank their choices of at least three but possibly up to 10 candidates from each list. This consolidation may incur the following costs:

Reprogramming/Replacing voting equipment: Voting machines in Missouri are currently programmed to accept only single-page ballots with a single vote per race – each of these machines would need to be reprogrammed to accept ranked-choice votes and provide for multiple-page ballots due to the potential for large numbers of candidates to file for General Assembly seats. Any machine that cannot be reprogrammed would need to be replaced with a new machine that does possess such capabilities. Either cost would be a new requirement that the state must assume under Article X, Section 21 of the Missouri Constitution.

As of the 2020 voting systems survey conducted by their office, local election authorities reported that they possessed 5,735 voting machines. The estimated cost for each new voting machine is \$5,000. The total cost to the state will vary depending on the number of machines which are ready to accept ranked-choice votes or can be reprogrammed to do so. However, using total replacement of all machines as a maximum cost, this provision may result in a total impact to general revenue ranging from \$0 up to \$28,675,000.

Additionally, in the ranked-choice process, there is a possibility of fractional votes being assigned if a voter selected more than one candidate at the same rank. As the state's reporting system is currently programmed to handle only whole numbers of votes, significant reprogramming of this system may be necessary to permit submittal of fractional vote tallies. Local election authorities may also require software upgrades from their equipment vendors in order to process fractional votes, but the amount of reprogramming needed and the associated cost will vary by vendor.

Postage Costs: mailing envelopes used to return absentee ballots are printed with business reply permits – pursuant to Section 115.285, RSMo., Local Election Authorities are reimbursed for these costs by the Missouri Secretary of State's Office at a cost which generally exceeds \$2 per envelope based on the current size and weight of the envelope and ballot; multiple-page ballots would increase these costs.

Ballot printing costs: Local election authorities bear the cost of printing ballots for each election – paying to print multiple-page ballots would substantially increase printing costs.

Due to situational variables, it is not possible to determine a concrete amount of fiscal impact to this measure (beyond the aforementioned machine replacements). However, the costs to the state and to local election authorities could be significant.

Each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2

RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. The SOS estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Greene County** indicated there will be an increased cost to their county if voters vote to amend Article VIII with the proposed language in this initiative petition.

The sums of those cost estimates for Greene County to implement for a future election are as follows.

Total Cost Increase for General Elections: \$20,399.63

The cost increase to administer the general election is in the coding cost and the increased length of the ballot necessary to tabulate a ranked-choice election. It is important to note, the November 2020 General Election costs were used, due to the final cost of November 2022 not being finalized at this time.

Officials from the **City of Kansas City** indicated this proposed amendment has no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from **St. Louis Community College** indicated the initiative petition does not appear to affect St Louis Community College directly; however, if the changes result in cost to the state and that in-turn reduces funding to the college then there is an impact. However, on the surface, it does not appear to affect the college positively or negatively, cost-wise.

Officials from the **St. Louis County Board of Elections** indicated due to the large number of candidates for 34 at-large senatorial seats and 40 house seats, this could push the ballot to two pages. They believe this will cost \$100,000 per general election (that has a two-page ballot). Also, they will have to buy new software to re-program their electronic pollbooks to comply with ranked-choice voting, which will have a fiscal impact of \$50,000 in one-time costs.

Officials from the **Kansas City Board of Election Commissioners** If this initiative petition were to become law, new software would need to be purchased at \$25,000 and staff would need to be retrained at \$10,000. The election day ballot would go to two pages due to the increased length of the ballot (200,000 times 50 cents a ballot) at \$100,000. Legal notices would be placed in all Kanas City area newspapers at \$30,000. Literature explaining rank choice voting would be printed and mailed to all voters at \$100,000. Also election day judges would need to be trained at \$30,000.

Total cost to implement this new law would be roughly \$295,000. Of this amount, \$100,000 for additional ballots would be on-going for every general election and \$195,000 would be a one-time expenditure.

Officials from the **Platte County Board of Elections** indicated their equipment is able to handle ranked choice voting so the proposal in the petition would have no fiscal impact.

Officials from the **Jackson County Election Board** indicated:

Assuming the house/senate independent bipartisan citizens commission shall redistrict the house of representatives/senate lines, each election authority would have to incur costs associated with said redistricting and renaming of precincts, redrawing of all jurisdictional lines, mapping adjustments for the website and GIS consultant labor for their respective jurisdictions.	
ESTIMATED COST	\$50,000.00
Assuming this would be very confusing to the voters of Jackson County Election Board's voting public, an educational process would need to occur.	
ESTIMATED COST	\$200,000.00

Assuming multiple changes in software related to voting equipment would need to occur.	
ESTIMATED COST	\$250,000.00
	\$500,000.00
This amount is estimated costs by the Jackson County Board of Election Commissioners. More costs might be incurred if more responsibilities of this proposed petition fall to the local jurisdictions.	

Officials from the **Clay County Board of Election Commissioners** indicated after looking at this petition, they cannot determine if there would be any extra costs associated with this. The only thing would be the recounting of the ballots for ranked choice voting. This may take additional time for staff to complete, so it may be extra overtime wages for staff, which could amount to \$200.00 to a \$1,000.00 in extra wages for the election.

The State Auditor's office did not receive a response from the **Adair County, Boone County, Callaway County, Cass County, Clay County, Cole County, Jackson County, Jasper County, St. Charles County, St. Louis County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, and the Board of Election Commissioners City of St. Louis.**

Fiscal Note Summary

State government legislative operating costs are estimated to decrease by approximately \$282,000 annually. State and local governmental entities estimate one-time costs of at least \$695,000, and ongoing costs of at least \$120,000 every general election year.



JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

RECEIVED
DEC 29 2022
STATE AUDITORS OFFICE

ELECTIONS DIVISION
(573) 751-2301

December 28, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Terrence Wise regarding a proposed statutory amendment to Chapter 290, Version 8 (2024-023)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Terrence Wise on December 27, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____
Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

RECEIVED
DEC 27 2022
MO. SECRETARY OF STATE

Be it enacted by the people of the state of Missouri:

Sections 290.502 and 290.512 of the Revised Statutes of Missouri are amended to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [~~\$8.60~~] \$14.00 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [~~\$.85~~] \$1.00 per hour, effective January 1 of each of the next [four] two years, until it reaches [~~\$12.00~~] \$16.00 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.512. 1. [No] Except as provided in subsection 2 of this section, no employer of any employee who receives and retains compensation in the form of gratuities in addition to wages is required to pay wages in excess of fifty percent of the minimum wage rate specified in sections 290.500 to 290.530, however, total compensation for such employee shall total at least the minimum wage specified in sections 290.500 to 290.530, the difference being made up by the employer.

2. Beginning January 1, 2025, and notwithstanding the percentage established in subsection 1 of this section, no employer of any employee who receives and retains compensation in the form of gratuities in addition to wages is required to pay wages in excess of the percentages, as set forth in this subsection below, of the minimum wage rate specified in subsection 3 of section 290.502 or where applicable the minimum wage otherwise specified in sections 290.500 to 290.530, effective the dates set forth in this

subsection below:

- (1) fifty-five percent, effective January 1, 2025;
- (2) sixty percent, effective January 1, 2026;
- (3) sixty-five percent, effective January 1, 2027;
- (4) seventy percent, effective January 1, 2028;
- (5) seventy-five percent, effective January 1, 2029;
- (6) eighty percent, effective January 1, 2030;
- (7) eighty-five percent, effective January 1, 2031;
- (8) ninety percent, effective January 1, 2032;
- (9) ninety-five percent, effective January 1, 2033;
- (10) one hundred percent, effective January 1, 2034;

however, in all cases, total compensation for such employee shall total at least the minimum wage specified in subsection 3 of section 290.502 or where applicable the minimum wage otherwise specified in sections 290.500 to 290.530, the difference being made up by the employer.

3. Subsection 2 of this section shall not apply to a public employer, as defined in section 290.502.4, with respect to its employees. Any public employer that is subject to subsection 1 of this section shall continue to be subject to that subsection at the percentage set forth therein of the minimum wage rate specified in subsections 1 and 2 of section 290.502 or where applicable the minimum wage otherwise specified in sections 290.500 to 290.530.

[2.] 4. If an employee receives and retains compensation in the form of goods or services as an incident of his employment and if he is not required to exercise any discretion in order to receive the goods or services, the employer is required to pay only the difference between the fair market value of the goods and services and the minimum wage otherwise required to be paid by sections 290.500 to 290.530. The fair market value of the goods and services shall be computed on a weekly basis. The director shall provide by regulation a method of valuing the goods and services received by any employee in lieu of the wages otherwise required to be paid under the provisions of sections 290.500 to 290.530. He shall also provide by regulation a method of determining those types of goods and services that are an incident of employment the receipt of which does not require any discretion on the part of the employee.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-023)**

Subject

Initiative petition from Terrence Wise regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received December 29, 2022)

Date

January 18, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, **University of Central Missouri**, **Harris-Stowe State University**, **Lincoln University**, **Missouri State University**, **Missouri Southern State University**, **Missouri Western State University**, **Northwest Missouri State University**, **Southeast Missouri State University**, **Truman State University**, the **Kansas City Board of Police Commissioners**, the **Metropolitan**

Police Department - City of St. Louis, St. Louis County Board of Elections, Board of Election Commissioners City of St. Louis, Kansas City Board of Election Commissioners, Platte County Board of Elections, Jackson County Election Board, and the Clay County Board of Election Commissioners.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated there is no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no fiscal impact.

Officials from the **Department of Higher Education and Workforce Development** indicated this initiative petition would not have a fiscal impact on their department.

Officials from the **Department of Health and Senior Services** indicated no impact.

Officials from the **Department of Commerce and Insurance** indicated that this petition if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive their department's funding would be impacted, which would include all contracted department providers.

Officials from the **Department of Natural Resources** indicated this proposal might impact their department however, they defer to the Office of Administration to respond.

Officials from the **Department of Corrections** indicated their department currently has employees earning less than \$16.25 an hour, however, with the delayed implementation date of 2027, it is unknown what pay plans state employees will be provided that would raise these employees to above the set \$16.25 amount. Therefore this legislation has a \$0

to unknown fiscal cost. Section 290.512 regarding minimum wages in cases where employees receive gratuities in addition to wages is not applicable to their department, as they do not have any positions receiving gratuities.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact to their office.

Officials from the **Missouri Department of the National Guard** indicated no impact for their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact at this time.

Officials from the **Governor's office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact as the language states that the new rate does not apply to State employees under the definition of public employer.

Officials from the **Department of Conservation** indicated this petition would have no immediate fiscal impact on their agency. Given that it proposes to gradually increase the minimum wage over time, it is possible, in the future, it could have a fiscal impact, but that assumes their agency does not increase the lowest rate they currently pay their employees over that same time period. They do not pay any of their employees by gratuity. As such, that proposed revision would have no fiscal impact on their agency.

Officials from the **Department of Transportation** indicated no fiscal impact expected from their department on this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated they would have an impact even if exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over 5.8 million was spent to publish the full text of the measures for the August and November elections. They estimate \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St Louis County** indicated no fiscal impact for their county government.

Officials from the **City of Jefferson** indicated that if public employers are exempt then they do not think there will be a fiscal impact to their city.

Officials from the **City of Kansas City** indicated this petition would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated that for the college to attract and retain employees, they will need competitive wages. Although there would not be a direct fiscal impact on any of those scenarios presented, they expect there to be indirect impact.

Officials from **Missouri Southern State University** indicated no impact as they would be exempt as a public employer.

Officials from **St. Louis Community College** indicated while any increase in the minimum wage could have a detrimental effect on their budget, the prospective change in a wage rate based upon a CPI-W increase (or any other index) cannot be determined at this time. Their current cost structure on hourly employees is generally at or exceeding the \$16.00/hr rate; therefore, the effect would be minimal until the CPI-W kicks in. The College does not pay gratuities to employees so Para 2 under 290.512 is not applicable. No STLCC employee receives compensation in the form of goods and services (i.e. Barter).

Officials from **University of Central Missouri** indicated they have determined the impact of this petition to be: No impact.

Officials from the **Board of Election Commissioners City of St. Louis** indicated they are public employees and exempt for this petition and have no fiscal impact.

Officials from the **St. Louis County Board of Elections** indicated they do not predict any fiscal impact for this petition.

Officials from the **Kansas City Board of Election Commissioners** indicated no material impact on their operations.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated this petition would not have a fiscal impact on their board.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

7

<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Clay County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, Truman State University, the Kansas City Board of Police Commissioners, the Metropolitan Police Department - City of St. Louis, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governments estimate no direct costs or savings from the proposal, but operating costs could increase by an unknown annual amount. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

RECEIVED
DEC 29 2022
STATE AUDITORS OFFICE

ELECTIONS DIVISION
(573) 751-2301

December 28, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Terrence Wise regarding a proposed statutory amendment to Chapter 290, Version 7 (2024-022)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Terrence Wise on December 27, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

RECEIVED
DEC 27 2022
MO. SECRETARY OF STATE

CIRCULATOR'S AFFIDAVIT
STATE OF MISSOURI, COUNTY OF _____

I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer:

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Sections 290.502 and 290.512 of the Revised Statutes of Missouri are amended to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [~~\$8.60~~] \$13.75 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased [each year] by [~~\$.85~~] \$1.25 per hour, [effective January 1 of each of the next four years, until it reaches \$12.00 per hour] to \$15.00 per hour, effective January 1, [2023] 2026. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2027, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.512. 1. [No] Except as provided in subsection 2 of this section, no employer of any employee who receives and retains compensation in the form of gratuities in addition to wages is required to pay wages in excess of fifty percent of the minimum wage rate specified in sections 290.500 to 290.530, however, total compensation for such employee shall total at least the minimum wage specified in sections 290.500 to 290.530, the difference being made up by the employer.

2. Beginning January 1, 2025, and notwithstanding the percentage established in subsection 1 of this section, no employer of any employee who receives and retains compensation in the form of gratuities in addition to wages is required to pay wages in excess of the percentages, as set forth in this subsection below, of the minimum wage rate specified in sections 290.500 to 290.530, effective the dates set forth in this subsection below:

- (1) fifty-five percent, effective January 1, 2025;
- (2) sixty percent, effective January 1, 2026;
- (3) sixty-five percent, effective January 1, 2027;
- (4) seventy percent, effective January 1, 2028;
- (5) seventy-five percent, effective January 1, 2029;
- (6) eighty percent, effective January 1, 2030;
- (7) eighty-five percent, effective January 1, 2031;
- (8) ninety percent, effective January 1, 2032;
- (9) ninety-five percent, effective January 1, 2033;
- (10) one hundred percent, effective January 1, 2034;

however, in all cases, total compensation for such employee shall total at least the minimum wage specified in subsection 3 of section 290.502 or where applicable the minimum wage otherwise specified in sections 290.500 to 290.530, the difference being made up by the employer.

3. Subsection 2 of this section shall not apply to a public employer, as defined in section 290.502.4, with respect to its employees. Any public employer that is subject to subsection 1 of this section shall continue to be subject to that subsection at the percentage set forth therein of the minimum wage rate specified in subsections 1 and 2 of section 290.502 or where applicable the minimum wage otherwise specified in sections 290.500 to 290.530.

[2.] 4. If an employee receives and retains compensation in the form of goods or services as an incident of his employment and if he is not required to exercise any discretion in order to receive the goods or services, the employer is required to pay only the difference between the fair market value of the goods and services and the minimum wage otherwise required to be paid by sections 290.500 to 290.530. The fair market value of the goods and services shall be computed on a weekly basis. The director shall provide by regulation a method of valuing the goods and services received by any employee in lieu of the wages otherwise required to be paid under the provisions of sections 290.500 to 290.530. He shall also provide by regulation a method of determining those types of goods and services that are an incident of employment the receipt of which does not require any discretion on the part of the employee.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-022)**

Subject

Initiative petition from Terrence Wise regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received December 29, 2022)

Date

January 18, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, **University of Central Missouri**, **Harris-Stowe State University**, **Lincoln University**, **Missouri State University**, **Missouri Southern State University**, **Missouri Western State University**, **Northwest Missouri State University**, **Southeast Missouri State University**, **Truman State University**, the **Kansas City Board of Police Commissioners**, the **Metropolitan**

Police Department - City of St. Louis, St. Louis County Board of Elections, Board of Election Commissioners City of St. Louis, Kansas City Board of Election Commissioners, Platte County Board of Elections, Jackson County Election Board, and the Clay County Board of Election Commissioners.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no fiscal impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated this initiative petition would not have a fiscal impact on their department.

Officials from the **Department of Health and Senior Services** indicated no impact.

Officials from the **Department of Commerce and Insurance** indicated that this petition if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive their department's funding would be impacted, which would include all contracted department providers.

Officials from the **Department of Natural Resources** indicated this proposal might impact their department however, they defer to the Office of Administration to respond.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Chapter 290, RSMo, Version 7.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact to their office.

Officials from the **Missouri Department of the National Guard** indicated no impact for their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact at this time.

Officials from the **Governor's office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact as the language states that the new rate does not apply to State employees under the definition of public employer.

Officials from the **Department of Conservation** indicated this petition would have no immediate fiscal impact on their agency. Given that it proposes to gradually increase the minimum wage over time, it is possible, in the future, it could have a fiscal impact, but that assumes their agency does not increase the lowest rate they currently pay their employees over that same time period. They have no employees that receive gratuities. As such, any proposed revision addressing that form of payment would have no fiscal impact on their agency.

Officials from the **Department of Transportation** indicated no fiscal impact expected from their department on this initiative petition.

Officials from the **Office of Administration** indicated the proposal relating to minimum wage law does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated they would have an impact even if exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over 5.8 million was spent to publish the full text of the measures for the August and November elections. They estimate \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St Louis County** indicated no fiscal impact for their county government.

Officials from the **City of Jefferson** indicated that if public employers are exempt then they do not think there will be a fiscal impact to their city.

Officials from the **City of Kansas City** indicated this petition would have no fiscal impact on their city.

Official from **Metropolitan Community College** indicated that for the college to attract and retain employees, they will need competitive wages. Although there would not be a

direct fiscal impact on any of those scenarios presented, they expect there to be indirect impact.

Officials from **St. Louis Community College** indicated while any increase in the minimum wage could have a detrimental effect on their budget, the prospective change in a wage rate based upon a CPI-W increase (or any other index) cannot be determined at this time. Their current cost structure on hourly employees is generally at or exceeding the \$15.00/hr rate; therefore, the effect would be minimal until the CPI-W kicks in. The College does not pay gratuities to employees so Para 2 under 290.512 is not applicable. No STLCC employee receives compensation in the form of goods and services (i.e. Barter).

Officials from **University of Central Missouri** indicated they have determined the impact of this petition to be: No impact.

Officials from **Missouri Southern State University** indicated no impact as they would be exempt as a public employer.

Officials from the **Board of Election Commissioners City of St. Louis** indicated they are public employees and exempt for this petition and have no fiscal impact.

Officials from the **St. Louis County Board of Elections** indicated they do not predict any fiscal impact for this petition.

Officials from the **Kansas City Board of Election Commissioners** indicated no material impact on their operations.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated this petition would not have a fiscal impact on their board.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Clay County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, Truman State University, the Kansas City Board of Police Commissioners, the Metropolitan Police Department - City of St. Louis, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governments estimate no direct costs or savings from the proposal, but operating costs could increase by an unknown annual amount. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



RECEIVED
DEC 29 2022
STATE AUDITORS OFFICE

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

December 28, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Terrence Wise regarding a proposed statutory amendment to Chapter 290, Version 6 (2024-021)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Terrence Wise on December 27, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

RECEIVED
DEC 27 2022
MO. SECRETARY OF STATE

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer:
Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Signature of Notary			Address of Notary	Notary Public (Seal)
Printed Name of Affiant	City, State and Zip Code of Affiant					My commission expires _____

Be it enacted by the people of the state of Missouri:

Sections 290.502 and 290.512 of the Revised Statutes of Missouri are amended to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [~~\$8.60~~] \$13.75 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [~~\$.85~~] \$1.25 per hour, effective January 1 of each of the next [~~four~~] two years, until it reaches [~~\$12.00~~] \$16.25 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.512. 1. [No] Except as provided in subsection 2 of this section, no employer of any employee who receives and retains compensation in the form of gratuities in addition to wages is required to pay wages in excess of fifty percent of the minimum wage rate specified in sections 290.500 to 290.530, however, total compensation for such employee shall total at least the minimum wage specified in sections 290.500 to 290.530, the difference being made up by the employer.

2. Beginning January 1, 2025, and notwithstanding the percentage established in subsection 1 of this section, no employer of any employee who receives and retains compensation in the form of gratuities in addition to wages is required to pay wages in excess of the percentages, as set forth in this subsection below, of the minimum wage rate specified in subsection 3 of section 290.502 or where applicable the minimum wage otherwise specified in sections 290.500 to 290.530, effective the dates set forth in this subsection below:

- (1) fifty-five percent, effective January 1, 2025;
- (2) sixty percent, effective January 1, 2026;
- (3) sixty-five percent, effective January 1, 2027;
- (4) seventy percent, effective January 1, 2028;
- (5) seventy-five percent, effective January 1, 2029;
- (6) eighty percent, effective January 1, 2030;
- (7) eighty-five percent, effective January 1, 2031;
- (8) ninety percent, effective January 1, 2032;
- (9) ninety-five percent, effective January 1, 2033;
- (10) one hundred percent, effective January 1, 2034;

however, in all cases, total compensation for such employee shall total at least the minimum wage specified in subsection 3 of section 290.502 or where applicable the minimum wage otherwise specified in sections 290.500 to 290.530, the difference being made up by the employer.

3. Subsection 2 of this section shall not apply to a public employer, as defined in section 290.502.4, with respect to its employees. Any public employer that is subject to subsection 1 of this section shall continue to be subject to that subsection at the percentage set forth therein of the minimum wage rate specified in subsections 1 and 2 of section 290.502 or where applicable the minimum wage otherwise specified in sections 290.500 to 290.530.

[2.] 4. If an employee receives and retains compensation in the form of goods or services as an incident of his employment and if he is not required to exercise any discretion in order to receive the goods or services, the employer is required to pay only the difference between the fair market value of the goods and services and the minimum wage otherwise required to be paid by sections 290.500 to 290.530. The fair market value of the goods and services shall be computed on a weekly basis. The director shall provide by regulation a method of valuing the goods and services received by any employee in lieu of the wages otherwise required to be paid under the provisions of sections 290.500 to 290.530. He shall also provide by regulation a method of determining those types of goods and services that are an incident of employment the receipt of which does not require any discretion on the part of the employee.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-021)**

Subject

Initiative petition from Terrence Wise regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received December 29, 2022)

Date

January 18, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, **University of Central Missouri**, **Harris-Stowe State University**, **Lincoln University**, **Missouri State University**, **Missouri Southern State University**, **Missouri Western State University**, **Northwest Missouri State University**, **Southeast Missouri State University**, **Truman State University**, the **Kansas City Board of Police Commissioners**, the **Metropolitan**

Police Department - City of St. Louis, St. Louis County Board of Elections, Board of Election Commissioners City of St. Louis, Kansas City Board of Election Commissioners, Platte County Board of Elections, Jackson County Election Board, and the Clay County Board of Election Commissioners.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no impact.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated no impact.

Officials from the **Department of Commerce and Insurance** indicated that this petition if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive their department's funding would be impacted, which would include all contracted department providers.

Officials from the **Department of Natural Resources** indicated this proposal might impact their department however, they defer to the Office of Administration to respond.

Officials from the **Department of Corrections** indicated their department currently has employees earning less than \$16.25 an hour, however, with the delayed implementation date of 2027, it is unknown what pay plans state employees will be provided that would raise these employees to above the set \$16.25 amount. Therefore this legislation has a \$0

to unknown fiscal cost. Section 290.512 regarding minimum wages in cases where employees receive gratuities in addition to wages is not applicable to their department, as they do not have any positions receiving gratuities.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Chapter 290, RSMo, Version 6.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact to their office.

Officials from the **Missouri Department of the National Guard** indicated no impact for their department.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact at this time.

Officials from the **Governor's office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact as the language states that the new rate does not apply to State employees under the definition of public employer.

Officials from the **Department of Conservation** indicated this petition would have no immediate fiscal impact on their agency. Given that it proposes to gradually increase the minimum wage over time, it is possible, in the future, it could have a fiscal impact, but that assumes their agency does not increase the lowest rate they currently pay their employees over that same time period.

Officials from the **Department of Transportation** indicated no fiscal impact expected from their department on this initiative petition.

Officials from the **Office of Administration** indicated the proposal relating to minimum wage law does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated they would have an impact even if exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills

that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over 5.8 million was spent to publish the full text of the measures for the August and November elections. They estimate \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St Louis County** indicated no fiscal impact for their county government.

Officials from the **City of Jefferson** indicated that if public employers are exempt then they do not think there will be a fiscal impact to their city.

Officials from the **City of Kansas City** indicated this petition would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated that for the college to attract and retain employees, they will need competitive wages. Although there would not be a direct fiscal impact on any of those scenarios presented, they expect there to be indirect impact.

Officials from **St. Louis Community College** indicated while any increase in the minimum wage could have a detrimental effect on their budget, the prospective change in a wage rate based upon a CPI-W increase (or any other index) cannot be determined at this time. Their current cost structure on hourly employees is generally at or exceeding the \$16.25/hr rate; therefore, the effect would be minimal until the CPI-W kicks in. The College does not pay gratuities to employees so Para 2 under 290.512 is not applicable.

Officials from **University of Central Missouri** indicated they have determined the impact of this petition to be: No impact.

Officials from **Missouri Southern State University** indicated no impact as they would be exempt as a public employer.

Officials from the **Board of Election Commissioners City of St. Louis** indicated they are public employees and exempt for this petition and have no fiscal impact.

Officials from the **St. Louis County Board of Elections** indicated they do not predict any fiscal impact for this petition.

Officials from the **Kansas City Board of Election Commissioners** indicated no material impact on their operations.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated this petition would not have a fiscal impact on their board.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Clay County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, Truman State University, the Kansas City Board of Police Commissioners, the Metropolitan Police Department - City of St. Louis, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governments estimate no direct costs or savings from the proposal, but operating costs could increase by an unknown annual amount. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

RECEIVED
DEC 29 2022
STATE AUDITORS OFFICE

ELECTIONS DIVISION
(573) 751-2301

December 28, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Terrence Wise regarding a proposed statutory amendment to Chapter 290, Version 5 (2024-020)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Terrence Wise on December 27, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

RECEIVED
DEC 27 2022
MO. SECRETARY OF STATE

CIRCULATOR'S AFFIDAVIT
STATE OF MISSOURI, COUNTY OF _____

I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer:

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)	Street Address of Affiant	Signature of Notary		Address of Notary	Notary Public (Seal)
Printed Name of Affiant	City, State and Zip Code of Affiant				My commission expires _____

Be it enacted by the people of the state of Missouri:

Sections 290.502 and 290.512 of the Revised Statutes of Missouri are amended to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [~~\$8.60~~] \$13.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [~~\$.85~~] \$.75 per hour, effective January 1 of each of the next [four] two years, until it reaches [~~\$12.00~~] \$15.00 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

290.512. 1. [No] Except as provided in subsection 2 of this section, no employer of any employee who receives and retains compensation in the form of gratuities in addition to wages is required to pay wages in excess of fifty percent of the minimum wage rate specified in sections 290.500 to 290.530, however, total compensation for such employee shall total at least the minimum wage specified in sections 290.500 to 290.530, the difference being made up by the employer.

2. Beginning January 1, 2025, and notwithstanding the percentage established in subsection 1 of this section, no employer of any employee who receives and retains compensation in the form of gratuities in addition to wages is required to pay wages in excess of the percentages, as set forth in this subsection below, of the minimum wage rate specified in subsection 3 of section 290.502 or where applicable the minimum wage otherwise specified in sections 290.500 to 290.530, effective the dates set forth in this subsection below:

- (1) fifty-five percent, effective January 1, 2025;
- (2) sixty percent, effective January 1, 2026;
- (3) sixty-five percent, effective January 1, 2027;
- (4) seventy percent, effective January 1, 2028;
- (5) seventy-five percent, effective January 1, 2029;
- (6) eighty percent, effective January 1, 2030;
- (7) eighty-five percent, effective January 1, 2031;
- (8) ninety percent, effective January 1, 2032;
- (9) ninety-five percent, effective January 1, 2033;
- (10) one hundred percent, effective January 1, 2034;

however, in all cases, total compensation for such employee shall total at least the minimum wage specified in subsection 3 of section 290.502 or where applicable the minimum wage otherwise specified in sections 290.500 to 290.530, the difference being made up by the employer.

3. Subsection 2 of this section shall not apply to a public employer, as defined in section 290.502.4, with respect to its employees. Any public employer that is subject to subsection 1 of this section shall continue to be subject to that subsection at the percentage set forth therein of the minimum wage rate specified in subsections 1 and 2 of section 290.502 or where applicable the minimum wage otherwise specified in sections 290.500 to 290.530.

[2.] 4. If an employee receives and retains compensation in the form of goods or services as an incident of his employment and if he is not required to exercise any discretion in order to receive the goods or services, the employer is required to pay only the difference between the fair market value of the goods and services and the minimum wage otherwise required to be paid by sections 290.500 to 290.530. The fair market value of the goods and services shall be computed on a weekly basis. The director shall provide by regulation a method of valuing the goods and services received by any employee in lieu of the wages otherwise required to be paid under the provisions of sections 290.500 to 290.530. He shall also provide by regulation a method of determining those types of goods and services that are an incident of employment the receipt of which does not require any discretion on the part of the employee.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-020)**

Subject

Initiative petition from Terrence Wise regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received December 29, 2022)

Date

January 18, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, **University of Central Missouri**, **Harris-Stowe State University**, **Lincoln University**, **Missouri State University**, **Missouri Southern State University**, **Missouri Western State University**, **Northwest Missouri State University**, **Southeast Missouri State University**, **Truman State University**, the **Kansas City Board of Police Commissioners**, the **Metropolitan**

Police Department - City of St. Louis, St. Louis County Board of Elections, Board of Election Commissioners City of St. Louis, Kansas City Board of Election Commissioners, Platte County Board of Elections, Jackson County Election Board, and the Clay County Board of Election Commissioners.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no fiscal impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated no impact.

Officials from the **Department of Commerce and Insurance** indicated that this petition, if passed will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive their department's funding would be impacted, which would include all contracted department providers.

Officials from the **Department of Natural Resources** indicated this proposal might impact their department however, they defer to the Office of Administration to respond.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Chapter 290, RSMo, Version 5.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact to their office.

Officials from the **Missouri Department of the National Guard** indicated no impact for their office.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact at this time.

Officials from the **Governor's office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact as the language states that the new rate does not apply to State employees under the definition of public employer.

Officials from the **Department of Conservation** indicated this petition would have no immediate fiscal impact on their agency and may not fiscally impact their agency in the future depending on whether the minimum wage is increased beyond the maximum proposed \$15.00 amount referenced in the petition.

Officials from the **Department of Transportation** indicated no fiscal impact expected from their department on this initiative petition.

Officials from the **Office of Administration** indicated the proposal relating to minimum wage law does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated they would have an impact even if exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a

special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over 5.8 million was spent to publish the full text of the measures for the August and November elections. The SOS estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St Louis County** indicated no fiscal impact for their county government.

Officials from the **City of Jefferson** indicated that if public employers are exempt then they do not think there will be a fiscal impact to their city.

Officials from the **City of Kansas City** indicated this petition would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated that for the college to attract and retain employees, they will need competitive wages. Although there would not be a direct fiscal impact on any of those scenarios presented, they expect there to be indirect impact.

Officials from **St. Louis Community College** indicated while any increase in the minimum wage could have a detrimental effect on our budget, the prospective change in a wage rate based upon a CPI-W increase (or any other index) cannot be determined at this time. Their current cost structure on hourly employees is generally at or exceeding the \$15/hr rate; therefore, the effect would be minimal until the CPI-W kicks in.

Officials from the **University of Central Missouri** indicated they have determined the impact of this petition to be: No impact.

Officials from **Missouri Southern State University** indicated no impact as they would be exempt as a public employer.

Officials from the **St. Louis County Board of Elections** indicated they do not predict any fiscal impact for this petition.

Officials from the **Board of Election Commissioners City of St. Louis** indicated no impact.

Officials from the **Kansas City Board of Election Commissioners** indicated no material impact on their operations.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated this petition would not have a fiscal impact on their board.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

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<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Clay County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, Truman State University, the Kansas City Board of Police Commissioners, the Metropolitan Police Department - City of St. Louis, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governments estimate no direct costs or savings from the proposal, but operating costs could increase by an unknown annual amount. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

RECEIVED
DEC 29 2022
STATE AUDITORS OFFICE

ELECTIONS DIVISION
(573) 751-2301

December 28, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Terrence Wise regarding a proposed statutory amendment to Chapter 290, Version 4 (2024-019)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Terrence on December 27, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

RECEIVED
DEC 27 2022
MO. SECRETARY OF STATE

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____, I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer:

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Section 290.502 of the Revised Statutes of Missouri is amended to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [~~\$8.60~~] \$14.00 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [~~\$.85~~] \$1.00 per hour, effective January 1 of each of the next [four] two years, until it reaches [~~\$12.00~~] \$16.00 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

RECEIVED
JUL 1 2005
MISSOURI

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-019)**

Subject

Initiative petition from Terrence Wise regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received December 29, 2022)

Date

January 18, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, **University of Central Missouri**, **Harris-Stowe State University**, **Lincoln University**, **Missouri State University**, **Missouri Southern State University**, **Missouri Western State University**, **Northwest Missouri State University**, **Southeast Missouri State University**, **Truman State University**, the **Kansas City Board of Police Commissioners**, the **Metropolitan**

Police Department - City of St. Louis, St. Louis County Board of Elections, Board of Election Commissioners City of St. Louis, Kansas City Board of Election Commissioners, Platte County Board of Elections, Jackson County Election Board, and the Clay County Board of Election Commissioners.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there will be no fiscal impact to their department.

Officials from the **Department of Higher Education** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated no impact.

Officials from the **Department of Commerce and Insurance** indicated that this petition if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive their department's funding would be impacted, which would include all contracted department providers.

Officials from the **Department of Natural Resources** indicated this proposal might impact their department however, they defer to the Office of Administration to respond.

Officials from the **Department of Corrections** indicated their department currently has employees earning less than \$16.00 an hour, however, with the delayed implementation date of 2027, it is unknown what pay plans state employees will be provided that would

raise these employees to above the set \$16.00 amount. Therefore this legislation has a \$0 to unknown fiscal cost.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition proposing to amend Chapter 290, RSMo, Version 4.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their office.

Officials from the **Missouri Department of the National Guard** indicated no impact for their office.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact at this time.

Officials from the **Governor's office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact as the language states that the new rate does not apply to State employees under the definition of public employer.

Officials from the **Department of Conservation** indicated this petition would have no immediate fiscal impact on their agency. Given that it proposes to gradually increase the minimum wage over time, it is possible, in the future, it could have a fiscal impact, but that assumes their agency does not increase the lowest rate they currently pay their employees over that same time period.

Officials from the **Department of Transportation** indicated no fiscal impact expected from their department on this initiative petition.

Officials from the **Office of Administration** indicated the proposal relating to minimum wage law does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated they would have an impact even if exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over 5.8 million was spent to publish the full text of the measures for the August and November elections. They estimate \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St Louis County** indicated no fiscal impact for their county government.

Officials from the **City of Jefferson** indicated that if public employers are exempt then they do not think there will be a fiscal impact to their city.

Officials from the **City of Kansas City** indicated this petition would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated that for the college to attract and retain employees, they will need competitive wages. Although there would not be a direct fiscal impact on any of those scenarios presented, they expect there to be indirect impact.

Officials from the **St. Louis Community College** indicated while any increase in the minimum wage could have a detrimental effect on their budget, the prospective change in a wage rate based upon a CPI-W increase (or any other index) cannot be determined at this time. Their current cost structure on hourly employees is generally at or exceeding the \$16/hr rate; therefore, the effect would be minimal until the CPI-W kicks in.

Officials from the **University of Central Missouri** indicated they have determined the impact of this petition to be: No impact.

Officials from **Missouri Southern State University** indicated no impact as they would be exempt as a public employer.

Officials from the **St. Louis County Board of Elections** indicated they do not predict any fiscal impact for this petition.

Officials from the **Board of Election Commissioners City of St. Louis** indicated they are public employees and exempt for this petition and have no fiscal impact.

Officials from the **Kansas City Board of Election Commissioners** indicated no material impact on their operations.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated this petition would not have a fiscal impact on their board.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1		\$15 by '27 (\$.75/year)	no
2		\$16.25 by '27 (\$1.25/year)	no
3		\$15 by '26 (\$1.25/year)	no
4		\$16 by '27 (\$1/year)	no
5		\$15 by '27 (\$.75/year)	yes
6		\$16.25 by '27 (\$1.25/year)	yes
7		\$15 by '26 (\$1.25/year)	yes
8		\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

7

<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Clay County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, Truman State University, the Kansas City Board of Police Commissioners, the Metropolitan Police Department - City of St. Louis, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governments estimate no direct costs or savings from the proposal, but operating costs could increase by an unknown annual amount. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

RECEIVED
DEC 29 2022
STATE AUDITORS OFFICE

ELECTIONS DIVISION
(573) 751-2301

December 28, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Terrence Wise regarding a proposed statutory amendment to Chapter 290, Version 3 (2024-018)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Terrence Wise on December 27, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

RECEIVED
DEC 27 2022
MO. SECRETARY OF STATE

CIRCULATOR'S AFFIDAVIT
STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer:

Signature of Affiant (Person obtaining signatures)

Printed Name of Affiant

Street Address of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

Notary Public (Seal)
My commission expires _____

Be it enacted by the people of the state of Missouri:

Section 290.502 of the Revised Statutes of Missouri is amended to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [~~\$8.60~~] \$13.75 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased [each year] by [~~\$.85~~] \$1.25 per hour, [effective January 1 of each of the next four years, until it reaches \$12.00 per hour] to \$15.00 per hour, effective January 1, [2023] 2026. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2027, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

RECEIVED
JUL 19 2025
MISSOURI
GOVERNMENT

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-018)**

Subject

Initiative petition from Terrence Wise regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received December 29, 2022)

Date

January 18, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, **University of Central Missouri**, **Harris-Stowe State University**, **Lincoln University**, **Missouri State University**, **Missouri Southern State University**, **Missouri Western State University**, **Northwest Missouri State University**, **Southeast Missouri State University**, **Truman State University**, the **Kansas City Board of Police Commissioners**, the **Metropolitan**

Police Department - City of St. Louis, St. Louis County Board of Elections, Board of Election Commissioners City of St. Louis, Kansas City Board of Election Commissioners, Platte County Board of Elections, Jackson County Election Board, and the Clay County Board of Election Commissioners.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

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Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated no impact.

Officials from the **Department of Commerce and Insurance** indicated that this petition if passed, will have no anticipated cost or savings to their department.

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Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition proposing to amend Chapter 290, RSMo, Version 3.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their office.

Officials from the **Missouri Department of the National Guard** indicated no impact for their office.

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Officials from the **Governor's office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact as the language states that the new rate does not apply to State employees under the definition of public employer.

Officials from the **Department of Conservation** indicated until such time as the minimum wage reaches \$16.00 per hour, this petition would have no fiscal impact on their agency. Even then, it assumes their agency has no increase above that amount in the intervening years.

Officials from the **Department of Transportation** indicated no fiscal impact expected from their department on this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated they would have an impact even if exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

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Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over 5.8 million was spent to publish the full text of the measures for the August and November elections. The SOS estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St Louis County** indicated no fiscal impact for their county government.

Officials from the **City of Jefferson** indicated that if public employers are exempt then they do not think there will be a fiscal impact to their city.

Officials from the **City of Kansas City** indicated this petition would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated that for the college to attract and retain employees, they will need competitive wages. Although there would not be a direct fiscal impact on any of those scenarios presented, they expect there to be indirect impact.

Officials from the **St. Louis Community College** indicated while any increase in the minimum wage could have a detrimental effect on their budget, the prospective change in a wage rate based upon a CPI-W increase (or any other index) cannot be determined at this time. Their current cost structure on hourly employees is generally at or exceeding the \$15/hr rate; therefore, the effect would be minimal until the CPI-W kicks in. There is concern that the CPI-W may not mirror the cost structure of employees. They are not advocating for a different index. Their question is would CPI-W be the appropriate index?

Officials from the **University of Central Missouri** indicated they have determined the impact of this petition to be: No impact.

Officials from **Missouri Southern State University** indicated no impact as they would be exempt as a public employer.

Officials from the **St. Louis County Board of Elections** indicated they do not predict any fiscal impact for this petition.

Officials from the **Board of Election Commissioners City of St. Louis** indicated they are public employees and exempt for this petition and have no fiscal impact.

Officials from the **Kansas City Board of Election Commissioners** indicated no material impact on their operations.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated this petition would not have a fiscal impact on their board.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
3	24-018	\$15 by '26 (\$1.25/year)	no
4	24-019	\$16 by '27 (\$1/year)	no
5	24-020	\$15 by '27 (\$.75/year)	yes
6	24-021	\$16.25 by '27 (\$1.25/year)	yes
7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

7

<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Clay County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, Truman State University, the Kansas City Board of Police Commissioners, the Metropolitan Police Department - City of St. Louis, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governments estimate no direct costs or savings from the proposal, but operating costs could increase by an unknown annual amount. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



RECEIVED
DEC 29 2022
STATE AUDITORS OFFICE

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

December 28, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Terrence Wise regarding a proposed statutory amendment to Chapter 290, Version 2 (2024-017)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Terrence Wise on December 27, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffinan
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

RECEIVED

DEC 27 2022

MO. SECRETARY OF STATE

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT
STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do____ do not ____ (check one) expect to be paid for circulating this petition. If paid, list the payer:

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

Notary Public (Seal)

My commission expires _____

Be it enacted by the people of the state of Missouri:

Section 290.502 of the Revised Statutes of Missouri is amended to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [~~\$8.60~~] \$13.75 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [~~\$.85~~] \$1.25 per hour, effective January 1 of each of the next [four] two years, until it reaches [~~\$12.00~~] \$16.25 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

RECEIVED

NOV 15 2025

RECEIVED

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-017)**

Subject

Initiative petition from Terrence Wise regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received December 29, 2022)

Date

January 18, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, **University of Central Missouri**, **Harris-Stowe State University**, **Lincoln University**, **Missouri State University**, **Missouri Southern State University**, **Missouri Western State University**, **Northwest Missouri State University**, **Southeast Missouri State University**, **Truman State University**, the **Kansas City Board of Police Commissioners**, the **Metropolitan**

Police Department - City of St. Louis, St. Louis County Board of Elections, Board of Election Commissioners City of St. Louis, Kansas City Board of Election Commissioners, Platte County Board of Elections, Jackson County Election Board, and the Clay County Board of Election Commissioners.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated this initiative petition will have no fiscal impact on their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated no impact.

Officials from the **Department of Commerce and Insurance** indicated that this petition if passed will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive their department's funding would be impacted, which would include all contracted department providers.

Officials from the **Department of Natural Resources** indicated this proposal might impact their department however, they defer to the Office of Administration to respond.

Officials from the **Department of Corrections** indicated their department currently has employees earning less than \$16.25 an hour, however, with the delayed implementation date of 2027, it is unknown what pay plans state employees will be provided that would

raise these employees to above the set \$16.25 amount. Therefore this legislation has a \$0 to unknown fiscal cost.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition proposing to amend Chapter 290, RSMo, Version 2.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their office.

Officials from the **Missouri Department of the National Guard** indicated no impact for their office.

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact at this time.

Officials from the **Governor's office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact as the language states that the new rate does not apply to State employees under the definition of public employer.

Officials from the **Department of Conservation** indicated this petition would have no immediate fiscal impact on their agency. Because the petition proposes to graduate or increase the minimum wage every two years until it reaches \$16.25 per hour, it could have a negative fiscal impact on their agency, but that is only provided their agency doesn't increase its present lowest hourly rate over the same time as that referenced in the petition.

Officials from the **Department of Transportation** indicated no fiscal impact expected from their department on this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated they would have an impact even if exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

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Officials from the **St. Louis Community College** indicated while any increase in the minimum wage could have a detrimental effect on their budget, the prospective change in a wage rate based upon a CPI-W increase (or any other index) cannot be determined at this time. Their current cost structure on hourly employees is generally at or exceeding the \$16.25/hr rate; therefore, the effect would be minimal until the CPI-W kicks in.

Officials from the **University of Central Missouri** indicated they have determined the impact of this petition to be: No impact.

Officials from **Missouri Southern State University** indicated no impact as they would be exempt as a public employer.

Officials from the **St. Louis County Board of Elections** indicated they do not predict any fiscal impact for this petition.

Officials from the **Board of Election Commissioners City of St. Louis** indicated they are public employees and exempt for this petition and have no fiscal impact.

Officials from the **Kansas City Board of Election Commissioners** indicated no material impact on their operations.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated this petition would not have a direct fiscal impact on their Board.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
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7	24-022	\$15 by '26 (\$1.25/year)	yes
8	24-023	\$16 by '27 (\$1/year)	yes

** in the case of a change in the tipped credit, all versions are the same with a gradual phase out of the tip credit at 5% of the total minimum wage rate per year.*

This letter is from Richard von Glahn and Missouri Jobs with Justice Voter Action, proponents of the above referenced minimum wage petitions. Pursuant to RsMO 116.175 we write to submit the following fiscal impact information to assist your office in the analysis of of the above mentioned eight minimum wage petitions.

Our analysis estimates the impact of the proposed petitions on state sales and personal income tax revenue in Missouri. Our analysis follows a process that has been used in the past to estimate the impact of minimum wage increases, with some updates. We are unable to provide calculations on local sales and income tax revenue, although it should be noted that impacted workers in Kansas City and St. Louis City are subject to a 1% earnings tax on income, so those municipalities will experience revenue gains from their constituents seeing wage increases. Local sales tax revenue will also increase, although the different taxing rates per jurisdiction made estimates overly cumbersome to predict. We also reference some economic literature on the impact of minimum wage laws on employment , social benefit spending and downstream impacts of wage increase in order to address some common claims made by opponents of similar initiatives in the past as well as provide a broader context of impact of wage increases.

As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

With 30 states and numerous other municipalities having increased the minimum wage above the federal minimum, there is ample evidence of the impact of these increases. While opponents will undoubtedly cite individual studies that predict catastrophic job loss and resulting decline in state revenue, the most credible comprehensive review of empirical evidence comes from Hristos Doucouliagos and T.D. Stanley and shows no discernible impact on employment. Their study, “Publication Selection Bias in Minimum- Wage Research? A Meta-Regression Analysis²” combines over 1,500 estimates from 64 different studies. This peer reviewed article has the advantage of any single study in that it used a set of predetermined, objective criteria for weighing the validity of statistical findings across different studies that produced different results.

In addition to this comprehensive review, a recent publication “Are \$15 Minimum Wages too High” provides an analysis of California which has gradually increased the minimum wage from \$8 in 2014 to \$15 in 2022. Their analysis focuses on impacts of two groups of workers most exposed to minimum wage increases- teenagers and restaurant workers and finds that “substantial and ongoing pay increases throughout the treatment period and find no significant disemployment effects, even in relatively low-wage counties.³” This is the most recent study and is analyzing a similar level of increases and time period as the proposed initiatives.

There is ample empirical and theoretical evidence that corroborates these studies. First, relative to total wage and labor costs, minimum-wage increases are small. Second, employers and workers respond to minimum wage increases in many ways that reduce the actual costs to employers.

Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

7

<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Clay County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, Truman State University, the Kansas City Board of Police Commissioners, the Metropolitan Police Department - City of St. Louis, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governments estimate no direct costs or savings from the proposal, but operating costs could increase by an unknown annual amount. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

RECEIVED
DEC 29 2022
STATE AUDITORS OFFICE

ELECTIONS DIVISION
(573) 751-2301

December 28, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Terrence Wise regarding a proposed statutory amendment to Chapter 290, Version 1 (2024-016)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Terrence Wise on December 27, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

County: _____

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

RECEIVED

DEC 27 2022

MO. SECRETARY OF STATE

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____

I,

being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do____ do not ____ (check one) expect to be paid for circulating this petition. If paid, list the payer:

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

Notary Public (Seal)

My commission expires _____

Be it enacted by the people of the state of Missouri:

Sections 290.502 of the Revised Statutes of Missouri is amended to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$ 6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase or decrease rounded to the nearest five cents.

3. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1, [2019] 2025, every employer shall pay to each employee wages at the rate of not less than [~~\$8.60~~] \$13.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by this subsection shall be increased each year by [~~\$.85~~] \$.75 per hour, effective January 1 of each of the next [four] two years, until it reaches [~~\$12.00~~] \$15.00 per hour, effective January 1, [2023] 2027. Thereafter, the minimum wage established by this subsection shall be increased or decreased on January 1, [2024] 2028, and on January 1 of successive years, per the method set forth in subsection 2 of this section. If at any time the federal minimum wage rate is above or is thereafter increased above the minimum wage then in effect under this subsection, the minimum wage required by this subsection shall continue to be increased pursuant to this subsection 3, but the higher federal rate shall immediately become the minimum wage required by this subsection and shall be increased or decreased per the method set forth in subsection 2 for so long as it remains higher than the state minimum wage required and increased pursuant to this subsection.

4. For purposes of this section, the term "public employer" means an employer that is the state or a political subdivision of the state, including a department, agency, officer, bureau, division, board, commission, or instrumentality of the state, or a city, county, town, village, school district, or other political subdivision of the state. Subsection 3 of this section shall not apply to a public employer with respect to its employees. Any public employer that is subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.

RECEIVED

DEC 15 2025

MO. SECRETARY OF STATE

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-016)**

Subject

Initiative petition from Terrence Wise regarding a proposed amendment to Chapter 290 of the Revised Statutes of Missouri. (Received December 29, 2022)

Date

January 18, 2023

Description

This proposal would amend Chapter 290 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, **University of Central Missouri**, **Harris-Stowe State University**, **Lincoln University**, **Missouri State University**, **Missouri Southern State University**, **Missouri Western State University**, **Northwest Missouri State University**, **Southeast Missouri State University**, **Truman State University**, the **Kansas City Board of Police Commissioners**, the **Metropolitan**

Police Department - City of St. Louis, St. Louis County Board of Elections, Board of Election Commissioners City of St. Louis, Kansas City Board of Election Commissioners, Platte County Board of Elections, Jackson County Election Board, and the Clay County Board of Election Commissioners.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, the Office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, their Office may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no fiscal impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated no impact.

Officials from the **Department of Commerce and Insurance** indicated that this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated they assume no direct fiscal impact from the proposed statutory amendment to Chapter 290 as government employees are exempt from its provisions. However, employees of providers that receive their department's funding would be impacted, which would include all contracted department providers.

Officials from the **Department of Natural Resources** indicated this proposal might impact their department however they defer to the Office of Administration to respond.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition proposing to amend Chapter 290, RSMo, Version 1.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their office.

Officials from the **Missouri Department of the National Guard** indicated no impact for their office..

Officials from the **Department of Social Services** indicated they do not anticipate a fiscal impact at this time.

Officials from the **Governor's office** indicated this proposal relating to minimum wage law does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact as the language states that the new rate does not apply to State employees under the definition of public employer.

Officials from the **Department of Conservation** indicated this initiative petition will have no immediate fiscal impact on their agency. At some point, given the proposed initiative petition graduates up in terms of minimum wage, it could have a fiscal impact provided their agency does not adjust their wages up to keep up with what is proposed in the initiative petition.

Officials from the **Department of Transportation** indicated no fiscal impact expected from their department on this initiative petition.

Officials from the **Office of Administration** indicated this proposal relating to minimum wage law does not financially impact their office..

Officials from the **Office of State Courts Administrator** indicated they would have an impact even if exempt.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes

the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over 5.8 million was spent to publish the full text of the measures for the August and November elections. They estimate \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St Louis County** indicated no fiscal impact for their county government.

Officials from the **City of Kansas City** indicated this petition would have no fiscal impact on their city.

Officials from the **City of Jefferson City** indicated that if public employers are exempt they do not think there will be a fiscal impact to their city.

Officials from **Metropolitan Community College** indicated that for the college to attract and retain employees, they will need competitive wages. Although there would not be a direct fiscal impact on any of those scenarios presented, they expect there to be indirect impact.

Officials from the **St. Louis Community College** indicated while any increase in the minimum wage could have a detrimental effect on their budget, the prospective change in a wage rate based upon a CPI-W increase (or any other index) cannot be determined at this time. Their current cost structure on hourly employees is generally at or exceeding the \$15/hr rate; therefore, the effect would be minimal until the CPI-W kicks in.

Officials from the **University of Central Missouri** indicated they have determined the impact of this petition to be: No impact.

Officials from **Missouri Southern State University** indicated no impact as they would be exempt as a public employer.

Officials from the **St. Louis County Board of Elections** indicated they do not predict any fiscal impact for this petition.

Officials from the **Board of Election Commissioners City of St. Louis** indicated they are public employees and exempt for this petition and have no fiscal impact.

Officials from the **Kansas City Board of Election Commissioners** indicated no material impact on their operations.

Officials from the **Platte County Board of Elections** indicated no fiscal impact.

Officials from the **Jackson County Election Board** indicated this petition would not have a direct fiscal impact on their Board.

Richard von Glahn, Policy Director, Missouri Jobs with Justice provided the following information:

Summary of Minimum Wage Proposals			
Version number		Initiative summary	
Version number	Version number assigned by Secretary of State	Minimum wage level	Tipped credit change*
1	24-016	\$15 by '27 (\$.75/year)	no
2	24-017	\$16.25 by '27 (\$1.25/year)	no
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As each of these petitions explicitly exclude public employers¹ from proposed increases, we do not include an analysis of payroll expenses to these employers.

¹ Section 290.502 (4)

I. Economic literature on the employment impact of increases in the minimum wage

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Probably the most important economic response to a higher minimum wage is a reduction in turnover. At higher wages, employers fill vacancies faster and retain employees longer, boosting total employment and average productivity per worker while reducing direct and indirect training costs. A 2017 study by employee benefits news found that turnover costs as high as 33% of a workers annual salary⁴. Avoiding these costs provides an obvious benefit to employers and research from Dube, Lester and Reich in 2012⁵ finds “striking evidence that separations, new hires, and turnover rates for teens and restaurant workers fall substantially following a minimum wage increase.”

Based on these empirical studies we feel confident in concluding that there is no evidence that increasing the minimum wage will reduce employment. Accordingly, we do not include any projections for impact on employment and the resulting effects on revenue in our analysis.

² Doucouliagos, Hristos and T.D. Stanley. 2009 “Publication Selection Bias in Minimum-Wage Research? A Meta - Regression Analysis.” *British Journal of Industrial Relations*, vol. 47, no. 2, pp. 406-428

³ <https://irle.berkeley.edu/are-15-minimum-wages-too-high/>

⁴ <https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big>

⁵ <https://irle.berkeley.edu/files/2012/Minimum-Wage-Shocks-Employment-Flows-and-Labor.pdf>

II. Impact on state and federal spending on social safety net programs

One area where the state is likely to experience significant direct savings from an increase in the minimum wage is on state spending on social safety net programs. Research suggests that at least 44% of Missouri recipients of Medicaid, SNAP or the Federal EITC are members of working families who would be directly impacted by the proposed initiatives⁶. State and Federal spending for this share of the workers on these programs totals \$2,400,000.00 dollars. While programs such as SNAP are paid entirely by the federal government, medicaid has a percentage paid by state revenue and the state EITC going into effect this year will cost the state revenue. While individual circumstances often dictate the cost of these or similar programs to the state, it holds that as workers earn higher wages at work access to these benefits will decrease, saving the state potentially tens of millions of dollars.

III. Estimate of number of workers impacted statewide and impact on wages

Number of impacted workers				Total Wage Growth
	Direct impact	Indirectly impacted	Total	
Proposal 1	293,000	198,000	491,000	\$576,819,000
Proposal 2	382,000	235,000	616,000	\$1,076,047,000
Proposal 3	331,000	194,000	525,000	\$733,133,000
Proposal 4	394,000	241,000	635,000	\$1,222,991,000
Proposal 5	293,000	198,000	491,000	\$688,721,000
Proposal 6	382,000	235,000	616,000	\$1,213,236,000
Proposal 7	331,000	194,000	525,000	\$852,823,000
Proposal 8	394,000	241,000	635,000	\$1,346,386,000

Note: All wages in 2022 dollars

Source: Economic Policy Institute Minimum Wage Simulation Model; see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer.

Across all eight version of the petitions estimates show a low of \$576 million and a high of over \$1.3 billion in wage growth for Missouri workers. These estimates include direct impacts to workers making under the minimum wage as well as secondary impacts to workers whose wages are predicted to rise as a result of the minimum wage increases.

IV. Estimate of state income and sales tax revenue

⁶ <https://laborcenter.berkeley.edu/the-public-cost-of-a-low-federal-minimum-wage/>

Based on the wage increase numbers above and the conclusion that minimum wage increases have no discernible impact on employment, we next calculate the impact of projected increases on state sales tax revenue and individual state income tax revenue for Missouri. As previously mentioned, we do not include estimates for local impacts, although we do project increased revenue there as local jurisdictions do capture sales tax revenue and in the case of the Kansas City and the City of St. Louis, increases in income are subject to the individual 1% earnings tax. We do not include any speculation of increased prices as a way to offset higher wages, although any such increase would result in higher sales tax revenue.

	Estimated sales tax revenue*	Estimated individual income tax revenue**	Total revenue
Proposal 1	\$8,738,808	\$24,367,615	\$33,106,423
Proposal 2	\$16,302,112	\$45,457,412	\$61,759,524
Proposal 3	\$11,712,965	\$32,660,864	\$44,373,829
Proposal 4	\$18,528,314	\$51,665,035	\$70,193,348
Proposal 5	\$10,434,123	\$29,094,895	\$39,529,018
Proposal 6	\$18,380,525	\$51,252,936	\$69,633,462
Proposal 7	\$12,920,268	\$36,027,354	\$48,947,623
Proposal 8	\$20,397,748	\$56,877,834	\$77,275,582

**State sales tax revenue is calculated by multiplying the estimated increase in wages by average annual Missouri General Revenue sales tax collections as a share of Missouri wages and salaries from 2015-2022 (or 1.515%)*

***Income tax is calculated by multiplying the estimated increase in wages by average Missouri net individual income tax collections as a share of Missouri wages and salaries from 2015-2022 (or 4.523%) less an expected 6.6% reduction in collections due to the recent reduction of Missouri's top income tax bracket to 4.95%.*

V. Other downstream impacts of higher wages

Countless studies have also demonstrated the negative health impacts on adults and children of low wages as well as the negative impacts on child development, including academic achievement, of low wages. These situations often contain confounding variables that can make ascertaining cause and effect difficult, recent research using natural experiments to measure the direction of causation of the impact of public policies offers guidance for consideration. The research makes clear that “increases in parental income are found to lead to higher test scores and better educational outcomes for children, greater likelihood of employment in young

adulthood, and improved earnings⁷.” While the exact impact on state or local revenue is difficult to predict, research shows that the impact of higher wages on student academic achievement were four times higher per dollar increase as the effects found in a study of class size reductions that cost around \$12,000 per student⁸.” Direct impacts on state and local revenue, especially in the short term, are difficult to predict, but the growing body of research shows definite positive long term impacts on human development resulting from wage increases.

VI. Conclusion

Overall we conclude that these petitions would generate a minimum net benefit to state general revenue of between thirty three and seventy seven million dollars with an undetermined net benefit for local revenue based on local considerations. This benefit is the direct result of the wage increases. Other savings are likely to accrue from a decrease in spending on safety net programs and a downstream benefit to the families of recipients of the wage increases. We submit this information in hopes that it can be useful in your determination of the fiscal impact of the proposed initiatives. Should you need any other information please do not hesitate to contact our office.

7

<https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages.aspx>

⁸ https://www.nber.org/system/files/working_papers/w21211/w21211.pdf

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Clay County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, Truman State University, the Kansas City Board of Police Commissioners, the Metropolitan Police Department - City of St. Louis, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governments estimate no direct costs or savings from the proposal, but operating costs could increase by an unknown annual amount. State and local government tax revenue could change by an unknown annual amount depending on business decisions.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

December 15, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

DEC 15 2022

STATE AUDITORS OFFICE

RE: Petition approval request from David Roland regarding a proposed constitutional amendment to Article VIII, version 3 (2024-015)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by David Roland on December 15, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

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2022 DEC 15 AM 11:22
[Signature]

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting eight new Sections to be known as Article VIII, Sections 24, 25, 26, 27, 28, 29, 30, and 31.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting eight new Sections to be known as Article VIII, Sections 24, 25, 26, 27, 28, 29, 30, and 31 to read as follows:

Section 24. 1. Every voting machine used to conduct any public election in the State of Missouri shall be tested and certified as secure at least six months prior to each election in which the voting machine will be used. Such testing and certification shall meet all standards established by the United States Election Assistance Commission or independent testing authority designated by the United States Election Assistance Commission. In addition, the Secretary of State shall test and certify voting equipment and/or software necessary to run an instant runoff election at least six months prior to implementation.

2. Every voting machine used to conduct any election in the State of Missouri shall produce an individual, anonymous, permanent paper record for each vote cast, which shall be made available for inspection and verification by the voter at the time the vote is cast. Such individual, anonymous, permanent paper record shall be preserved for use in any election audit.

3. The candidate or their designee shall have the right to be present whenever paper ballots or the permanent paper records produced by electronic voting machines are counted, audited, or placed in storage.

Section 25. 1. Beginning with the 2026 primary election, and notwithstanding any other provision of law to the contrary, primary elections for all state executive branch offices, members of the Missouri General Assembly, county offices, and members of the United States Congress shall be open primaries where the four candidates for each office who receive the most votes advance to the general election.

2. Primary ballots for all offices listed in Subsection 1 of this Section shall meet the following criteria:

(1) All qualified candidates, regardless of party affiliation, shall appear on a single ballot to be used by all qualified voters, regardless of party affiliation.

(2) Primary ballots shall include space for write-in candidates for every office appearing on the ballot.

3. In the primary election for all offices listed in Subsection 1 of this Section, a qualified voter shall be permitted to cast a vote for any candidate for whom that voter is otherwise eligible to vote. A qualified voter shall only vote for one candidate for each office.

4. The four candidates for each office receiving the most votes in the primary election shall advance to the general election for that office. Only those candidates shall appear on the general election ballot.

5. If it cannot be determined which four candidates received the most votes because two or more candidates are tied with an equal number of votes, that tie shall be broken by drawing lots.

Section 26. 1. Beginning with the November 2026 general election, and notwithstanding any other provision of law to the contrary, general elections for all offices listed in Subsection 1 of Section 25 shall be instant runoff elections in which a qualified voter may indicate their preferred candidate Ranking Order on the ballot.

2. In an instant runoff general election conducted under this Section, each ballot shall count as one vote for the highest-ordered, Active Candidate for each office on that ballot, and tabulation shall proceed in rounds.

3. If, at the beginning of any round of tabulation, an Active Candidate receives a majority of the votes cast for an office, that candidate is elected for that office and tabulation is complete.

4. If, after any round of tabulation, no Active Candidate for an office has received a majority of the votes, a new round of tabulation shall begin and proceed as follows:

(1) The Active Candidate receiving the fewest number of votes shall be eliminated.

(2) Each ballot containing a vote cast for the eliminated candidate shall count as a vote for its next highest-ordered Active Candidates.

(3) Votes shall be tabulated pursuant to Subdivisions (1) and (2) of this Subsection until an Active Candidate receives the majority of the remaining votes.

5. If a ballot has a Ranking Order for an office that does not contain any candidate, and there are no Active Candidates at a higher Ranking Order, the ballot shall count as a vote for the highest-ordered Active Candidate after that Ranking Order, if any.

6. Ballots shall not count as a vote for any candidate for a particular office only if:

(1) The ballot does not include an Active Candidate for an office at any Ranking Order; or

(2) The ballot contains an Overvote that includes the highest-ordered Active Candidate for that office.

7. If two or more candidates for an office are tied with equal and lowest number of votes, and the tabulation in Subsection 4 cannot continue until the candidate with the lowest number of votes is eliminated, the candidate to be eliminated shall be determined by drawing lots.

8. General election ballots shall be laid out to allow voters to indicate their preferred candidate Ranking Order. Election officials shall design the ballot to be easy for voters to understand, consistent with accepted best practices in ballot design.

9. A voter's Ranking Order of up to four candidates shall be considered an expression of the voter's intent to indicate candidate preference(s) and shall not be considered an Overvote.

10. Instructions on the general election ballot shall include the following statement: "You may mark up to four choices in order of preference. Do not assign the same ranking number to more than one candidate."

11. Beginning at least one hundred twenty days before the first election utilizing the instant runoff system, the Secretary of State and local election authorities shall conduct a statewide voter education campaign to familiarize voters with the instant runoff voting system.

12. Notwithstanding any other provisions of law to the contrary, the aggregated vote totals from the primary election shall be used, as may be required by any other law, for the purposes of identifying the two major political parties, for a political party to maintain qualified status, or the establishment of a new political party.

Section 27. 1. Beginning after the 2026 general election, and notwithstanding any other provision of law to the contrary, a special election shall be called to fill any vacancy in any office listed in Subsection 1 of Section 25.

2. A special election to fill a vacancy in any such office shall be conducted pursuant to the primary and general election processes described in Sections 25 and 26.

Section 28. 1. For the purposes of Article VIII, the following terms mean:

(1) "Active Candidate", a candidate who has not been eliminated during an instant runoff tabulation.

(2) "Overvote", a vote in which the qualified voter indicated a preference for more than one candidate at the same ranking order.

(3) "Order" or "Ranking Order", the number a qualified voter assigns on their ballot to a candidate indicating that voter's preference, with 1 being the highest ranking order and 4 being the lowest ranking order.

Section 29. The Secretary of State shall issue rules and regulations necessary to implement Sections 24 to 28 of this Article. No rule or portion of a rule promulgated under the authority of such Sections shall become effective unless it has been promulgated pursuant to the requirements provided by law.

Section 30. 1. Nothing in this section shall limit the use of any applicable election law that is not inconsistent with the requirements and systems established in Sections 24 to 28.

2. Nothing in this section shall limit the general assembly from enacting laws consistent with Sections 24 to 28, or otherwise affecting the rights of qualified voters in an instant runoff election. The general assembly shall not enact laws that hinder the establishment of the open primaries and instant runoff voting systems established by Sections 24 to 28.

Section 31. If any provision of Sections 24 to 28 or the application thereof to anyone or to any circumstance is held invalid, the remainder of those provisions and the application of such provisions to others or other circumstances shall not be affected thereby.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-015)**

Subject

Initiative petition from David Roland regarding a proposed constitutional amendment to Article VIII. (Received December 15, 2022)

Date

January 4, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, and the **Clay County Board of Election Commissioners**.

David O'Brien, Policy Director, RepresentUS provided information to the State Auditor's office.

Chris Hughes, Director of Policy, Ranked Choice Voting Resource Center provided information to the State Auditor's office.

Eric H. Bronner, Founder/Chief Operating Officer, Veterans for Political Innovation provided information to the State Auditor's office.

Angela Gabel, Attorney, ABG Law Office LLC provided information to the State Auditor's office.

Prof. Samuel S.-H. Wang, Director, Electoral Innovation Lab provided information to the State Auditor's office.

Rob Richie, President and CEO, FairVote provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated there is no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-015 proposing to amend Article VIII, version 3.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate an impact.

Officials from the **Governor's office** indicated this proposal relating to open elections and ranked preference voting does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated they do not anticipate any fiscal impact associated with Initiative Petition 24-015.

Officials from the **Department of Transportation** indicated no impact on their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to open elections and ranked preference voting does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated this petition would transition Missouri elections to a ranked-choice voting system by January 1, 2026. There are three potential areas of expense which could be incurred in implementing this measure: the required public education campaign, reprogramming of the state election management system, and replacement of voting machines. The state may be required to pay any or all of these costs under Article X, Section 21 of the Missouri Constitution.

This measure would require their office to conduct a voter education campaign to familiarize voters with the instant runoff voting system and ranked-choice ballots. The precise cost of such a campaign would vary depending on strategic decisions and appropriation by the General Assembly. A statewide educational campaign is estimated to reach or exceed \$2,000,000 beginning in fiscal year (FY) 2026. Primarily this would be one-time costs but with the possibility to carry over, especially if the campaign is implemented a significant time before the election at which the system first sees service.

Additionally, the Missouri Centralized Voter Registration program (MCVR) would need to be modified to accept ranked-choice vote totals. The total numbers of each different ballot ranking combination would need to be tabulated in MCVR from the local election authorities (LEAs) before the instant runoff process could take place, especially in the case of statewide races. This would require programming resources to be devoted beyond those covered under the normal maintenance and upkeep contracts. Labor costs to program this modification are estimated by the vendor at \$46,000, to be executed in FY 2025 or FY 2026 in preparation for the time when ranked-choice voting begins in 2026.

Finally, in order to properly handle ranked-choice ballots, all voting equipment statewide must either be updated with code which allows ranked-choice voting or be replaced with ranked-choice-compatible machines. Since reprogramming can reasonably be considered a lesser cost than full replacement, they present the replacement cost as a maximum for this potential expense. The latest voting systems survey, conducted in 2020, found 5,735 pieces of election equipment in service statewide. At an average replacement cost of \$5,000 per machine, this could result in a cost of up to \$28,675,000 in FY 2025 or FY 2026.

Each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate the following additional costs as a result of this petition:

- ~\$12,000 in additional ballots for all parties to vote on all State and Federal (except President) level candidates, per Primary and General even-year elections.
- ~\$25,000 onetime software expense to update both primary and general election ballots as well as produce the paper record for each vote in Section 24.2
- ~\$25,000 each primary election to print each paper record under 24.2
- ~\$25,000 each general election to print each paper record under 24.2
- ~\$5,000 each primary election for poll workers to assist with voter inspection of records under 24.2
- ~\$10,000 each general election for poll workers to assist with voter inspection of records under 24.2
- ~\$115,000 for onetime software upgrades to fulfill the instant runoff tabulation provisions of Section 26. Due to adding County level, even though already nonpartisan.
- ~\$5,000 in onetime training costs for workers
- ~\$10,000 in onetime voter education costs under Section 26.11

In sum, one-time estimate of \$155,000 and ongoing costs of \$89,000 per every even year.

Officials from **Greene County** indicated in reviewing initiative petition 24-015 it has been determined there will be an increased cost to the County of Greene if voters vote to amend Article VIII, version 3 with the proposed language in this initiative petition.

Section 24:

Testing the election equipment 6 months prior to each election would require no less than 3 tests per year at an estimated cost of \$9,000 per election.

Election Equipment Testing Cost Estimate: \$27,000

Section 25:

The increase in the candidate names on one ballot in addition to the write-in opportunity for each race will increase the testing hours. It will also include the voter education campaign. The expense for this will be accomplished by sending a mailer to voters educating them to the change. There will be a decrease in the ballot faces representing each party. The decrease in ballot faces will cause a decrease in the ballot order total, due to all contests being on one ballot.

Taking the August 2022 primary election cost as the point of comparison shows that there will be a **one-time cost increase by \$58,132.38**, due to the one-time voter education campaign.

Section 26:

An RCV election for a November General would increase by an additional **\$5,138.83** due to the coding and layout cost for a ranked choice election.

Section 27:

There would be no additional cost overall for this section, as these election costs are paid for by the state in the case of a special election.

Section 28:

No known cost at this time, since no rules have been promulgated by the SOS.

Section 29:

No cost

Officials from **St. Louis County** indicated from the St. Louis County Board of Elections: "We believe this will have a fiscal impact of anywhere from \$0-50,000 because it is unknown if we would need to pay for new software or to use open-sourced software to adapt to ranked-choice voting. In addition, this petition would require them to hold a special election for a vacancy, which would cost about \$1 million per county-wide election. Finally, to send one mailing to each voter would cost about \$250,000 to comply with a voter education campaign."

Officials from the **City of Jefferson City** indicated the proposed initiative petition would not have a direct fiscal impact to their city since Cole County conducts elections for the City. Presumably, Cole County could "bill" the City for any costs incurred by the County associated with implementing the referenced election requirements.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated this initiative does not appear to have any significant specific cost or cost savings to their College. Indirect cost considerations have not been determined. In particular, if the petition delays or inhibits voting for elected officials for the Community College Districts or increases the cost of elections then it could have a potentially negative impact. Such impact cannot be evaluated at this time.

Officials from the **St. Louis County Board of Elections** indicated they believe this will have a fiscal impact of anywhere from \$0-50,000 because it is unknown if they would need to pay for new software or to use open-sourced software to adapt to ranked-choice voting. In addition, this petition would require them to hold a special election for a vacancy, which would cost about \$1 million per county-wide election. Finally, to send one mailing to each voter would cost about \$250,000 to comply with a voter education campaign.

Officials from the **Board of Election Commissioners City of St. Louis** this petition would require the City Election Board to have the capability to conduct ranked choice voting. While their current voting system does not have this capability, they have been given funding to purchase a new system. Any system they would acquire would have this capability (though one vendor's current system allows three candidates; another vendor's standard software package does not include ranked choice but allows for the separate purchase of a license for an additional fee which they would not acquire unless forced to do so).

This petition also requires local election authorities to conduct a voter education campaign. While the scope of this campaign is vague, it makes no mention of where funding for this education would come from. If the City Election Board were required to send a mailing to all City voters notifying them of these substantial changes, which would certainly be justified, the cost of such mailing could be estimated at around \$50,000.

Officials from the **Kansas City Board of Election Commissioners** indicated they could not see a material difference between 24-014 and 24-015, therefore their response is the same. Also note, if a special election is needed to pass any of these petitions, not a general election, the State would be responsible for their pro-rata share of election costs based on voter registration. The cost to conduct an election in the Kansas City portion of Jackson County is \$650,000.

If this initiative petition becomes law, definitions "for shall be tested and certified as secure" needs more explanation to give a more realistic fiscal impact. An estimation of at least two additional warehouse staff at \$40,000 each, including benefits would be needed. Software for an instant runoff would be \$25,000. Training for staff would be \$10,000.

Permanent paper record for each vote cast and available for inspection and verification by the voter at the time the vote is cast is an impossible task and could not be accomplished.

Regarding the Rank Choice voting portion of this petition, new software would need to be purchased at \$25,000 and staff would need to be retrained at \$10,000. The election day ballot would go to two pages due to the increased length of the ballot (200,000 times 50 cents a ballot) \$100,000. Legal Notices would be placed in all K.C. area newspapers \$30,000. Literature explaining rank choice voting would be printed and mailed to all voters at \$100,000. Also election day judges would need to be trained at \$30,000.

Total cost to implement this new law would be roughly \$410,000, but a portion of this petition could not be done as described above.

Officials from the **Platte County Board of Elections** indicated their current voting equipment is capable of instant runoff voting. There should be no direct costs associated with this petition.

They indicated they should have included this with the other related petitions as well, but the 6 month prior testing requirement will overlap election cycles. Testing for the General Municipal will be required to be done by early October the previous year, during absentee voting. Testing for the August election in February as they are programming and testing ballots for the General Municipal. Testing for the November General Election in May.

Officials from the **Jackson County Election Board** indicated the current version of their tabulation software does not support rank choice voting for four selections.

There is currently no software certified by the Election Assistance Commission (EAC) to support a four-candidate selection. If the software were approved by the EAC an upgrade would need to be purchased by the Jackson County Election Board.

There is currently no funding source available for this purchase.

Fiscal Note Estimate
\$25,000.00 - \$35,500.00

Voter education would be necessary and the cost substantial. Run-Off and Rank Choice Voting are very confusing to voters.

\$140,000.00 - \$200,000.00 estimate for development of education materials and mailings. Depending on the number of candidates running in the primary election and other issues placed on the ballot the Board could be forced to a three-page ballot causing confusion at the polling locations and doubling the ballot costs.

Normal ballot costs for primary & general elections: \$60,200.00

\$60,200.00

Total Fiscal Note:
\$225,200.00 - \$295,700.00

Officials from the **Clay County Board of Election Commissioners** indicated that if all the names are put on one ballot, depending on how many people run that could produce the potential to have two actual ballots to include all the names which would double the cost of ballots now. They would estimate additional costs anywhere from \$50,000 to \$100,00 depending on how many file.

David O'Brien, Policy Director, RepresentUS provided the following information:



December 20, 2022

Nicole Galloway
State Auditor of Missouri
301 West High Street, Room 880
Jefferson City, MO 65102
moaudit@auditor.mo.gov

RE: PETITIONS 2024-013, 2024-014, AND 2024-015

Dear Auditor Galloway,

We are writing on behalf of RepresentUS regarding the ballot petitions officially named 2024-013, 2024-014 and 2024-015, which would bring Final Four open primaries and instant runoff voting ("IRV," sometimes referred to as "ranked choice voting") to Missouri elections. RepresentUs is a national, nonpartisan organization focused on improving America's political system. We work with partners and volunteers across the political spectrum to pass pro-democracy reforms at the state and local level. RepresentUS has helped grassroots campaigns to bring reforms like Final Four and IRV across the country.

In our experience, the costs associated with implementing IRV are often far below what many initially expect, and we expect this trend to hold in Missouri. The vast majority of counties will not need to replace their existing voting machines. According to a comprehensive analysis by the Ranked Choice Voting Resource Center, all but two of Missouri's counties currently have voting machines capable of conducting elections with IRV.¹ Furthermore, it is our understanding that one of those two counties, St. Louis City, is already planning on upgrading its voting systems to models with IRV-capable hardware. This means that the costs of technical implementation for nearly every county in the state would be limited to software upgrades.

For comparison, when Alaska's Division of Elections's released a fiscal note for a ballot measure to implement the same policy as contained in 2024-013, 2024-014 and 2024-015, it determined that 137 machines would have to be replaced at cost of \$3,900 each, for a total cost of \$534,300.² In the majority of counties that will not need to replace voting machines, however, costs will be more similar to those in Maine, which did not need to upgrade its voting systems.

¹ Ranked Choice Voting Resource Center, Missouri Ranked Choice Voting State Readiness Assessment 2022 Edition, p. 14 (<https://bit.ly/RCV-Missouri-2022>).

² Alaska Division of Elections, 19AKBE - Statement of Costs, <https://www.elections.alaska.gov/petitions/19AKBE/19AKBEStatementOfCosts.pdf>. The Division of Elections also estimates the total cost of implementation to be \$803,593, including costs for things like voter education (\$150,000) and language assistance (\$57,416).



When Maine used IRV for the first time in 2018, its Secretary of State reported that the entire cost of statewide implementation that year was \$441,804.³

Considering the experiences of other jurisdictions that have adopted IRV, we expect the cost of implementation in Missouri to be fairly modest. Thank you for your time and attention to this matter.

Sincerely,

David O'Brien
Policy Director

³ Maine Office of the Secretary of State, Maine Costs for Ranked-choice Voting in 2018, <https://www.maine.gov/sos/cec/elec/upcoming/pdf/rcv.costs.2018.pdf>.

Chris Hughes, Director of Policy, Ranked Choice Voting Resource Center provided the following information:



December 20, 2022

Nicole Galloway
State Auditor of Missouri
301 West High Street, Room 880
Jefferson City, MO 65102
moaudit@auditor.mo.gov

RE: PETITIONS 2024-013, 2024-014, and 2024-015

Dear Auditor Galloway,

We are writing on behalf of the Ranked Choice Voting Resource Center regarding the estimated fiscal impact of initiative petitions 2022-049 and 2022-050, which would bring Top 4 open primaries and instant runoff voting (“IRV,” sometimes referred to as “ranked-choice voting” or “RCV”) to Missouri elections. The Ranked Choice Voting Resource Center is a 501(c)(3) nonprofit organization that provides information, research, and tools to teach the public about ranked choice voting. The staff of the Resource Center have decades of election administration experience and experience overseeing ranked choice voting elections at all levels of government. Our nationally recognized center is regarded as the premier ranked choice voting resource for voters, election administrators, policymakers, and candidates.

We recently conducted a statewide analysis of Missouri’s voting equipment in our [Missouri RCV Administrative Assessment](https://bit.ly/RCV-Missouri-2022) (<https://bit.ly/RCV-Missouri-2022>). In our analysis, we found that 114 of 116 local election authorities (113 counties and one city) in Missouri have RCV capable equipment: equipment that can now, or after a software update, be used to hold ranked choice voting elections. In these counties, hardware purchases are not necessary to add RCV capability. Software upgrades, however, may be necessary and will need to have their costs negotiated directly with the vendors providing equipment to each local election authority. We do not know how many of these election authorities will need to update their software nor how much it may cost any one authority to make upgrades, so we do not estimate those costs here.

One local election authority (St. Louis City) has legacy voting equipment – equipment at the end of its usable lifespan – and one local election authority (Worth County) hand counts its elections. St. Louis City should replace its legacy voting equipment soon as it is at the end of its usable lifespan. All modern voting equipment available today includes ranked choice voting capability. By replacing that legacy equipment, St. Louis City will also gain ranked choice voting capability.



Worth County can conduct ranked choice voting elections by hand though we suggest using voting equipment to speed up the counting process.

The City of St. Louis has allocated \$5,000,000 for new voting machines that are capable of conducting instant run-off elections, and those machines will be in use with or without passage of petitions 2024-013, 2024-014, and 2024-015.

<https://www.stlouis-mo.gov/government/city-laws/board-bills/boardbill.cfm?bbDetail=true&BBIId=14003>. Given that these machines should be in place before any implementation of petitions 2024-013, 2024-014, and 2024-015, we do not include the City of St. Louis in our cost estimate.

A fiscal note for Petition 2022-19 estimated that purchasing a single voting machine would cost \$5,000. Based on publicly available information about voting machines used in the state, we estimate that Worth County could add two scanning machines to tabulate RCV elections quickly. At a rate of \$5,000 per machine, that will cost approximately \$10,000. Worth County could also spend no money and continue to hand count their elections.

Based on this analysis, the fiscal impact of 2024-013, 2024-014, and 2024-015 for purchasing ranked choice voting capable equipment will be between \$0 and \$10,000 in one-time costs.

Thank you for your consideration of this submission. If you have any questions, please contact the Ranked Choice Voting Resource Center at info@rcvresources.org or 1-833-VOTE-RCV (1-833-868-3728).

Sincerely,

Chris Hughes
Director of Policy

Eric H. Bronner, Founder/Chief Operating Officer, Veterans for Political Innovation
provided the following information:



December 21, 2022

The Honorable Nicole Galloway
State Auditor of Missouri
301 West High Street, Room 880
Jefferson City, MO 65102
moaudit@auditor.mo.gov

RE: PETITIONS 2024-013, 2024-014 AND 2024-015

Dear Auditor Galloway,

I am writing to you today on behalf of Veterans for Political Innovation regarding the estimated fiscal impact of initiative petitions 24-013, 24-014 and 24-015. I am also writing as a licensed Missouri attorney and a concerned Missouri citizen.

Veterans for Political Innovation (VPI) is a national, nonpartisan nonprofit community, based out of Saint Louis, Missouri. VPI is mobilizing veterans and supporters to make politics less toxic through innovations that bring more competition to all our elections. Over the past year, VPI has educated, trained and mobilized hundreds of veterans, in over 35 states, as trusted messengers for nonpartisan reforms such as “Final-4 Voting”—the innovative reform package outlined in these petitions. Part of our mission is to fully enfranchise and empower the approximately 50% of military veterans who do not affiliate or identify with either major political party. Independent voters want more choices in primary elections. With more electoral competition in every district, we will reward common sense problem solvers, once again, and make our campaigns and our politics less toxic.

Initiative petitions 24-013, 24-014 and 24-015 are functionally identical to petitions 2022-051, 2022-052, 2022-060 and 2022-061. If passed, these petitions would modify Missouri election law, so that candidates are chosen via “Final-4 Voting”; that is, top-four, cross-partisan (single ballot) primary elections and instant run-off voting general elections.

Since the fiscal notes for petitions 2022-051, 2022-052, 2022-060, and 2022-061 were completed, even more local election authorities in Missouri have begun using voting machines that can conduct instant run-off elections, including Macon, Bates and Henry Counties.ⁱ

Indeed, a comprehensive analysis conducted by the experts at the nonpartisan Ranked Choice Voting Resource Center shows that only two out of 116 local election authorities in Missouri—St. Louis City and Worth County—have voting machines that are incompatible with instant run-off voting (<https://bit.ly/RCV-Missouri-2022>).



The **City of St. Louis** has allocated funds for new voting machines that can conduct instant run-off elections, and those machines will be in use with or without passage of petitions 2024-013, 2024-014, and 2024-015. The Board of Alderman appropriated \$5,000,000 for new voting equipment in Board Bill Number 206 in May 2022ⁱⁱ.

The only local election authority in Missouri that does not currently have hardware capable of conducting instant run-off elections is **Worth County**. Worth County has just 1,465 registered voters, and County staff tabulate election results there by hand count. Instant runoff voting elections can also be tabulated by hand with paper ballots.

Together, at least 115 of Missouri's 116 local election authorities will have machines capable of conducting instant run-off voting elections *before* Missourians even vote on petitions 2024-013, 2024-014, or 2024-015. The exact cost of Worth County's voting machine upgrades is unknown, but very likely less than \$15,000ⁱⁱⁱ. Because most local election authorities have already budgeted for regular voting machine software upgrades, any costs associated with software should not be included in this fiscal note.

In conclusion, petitions 2024-013, 2024-014, and 2024-015 would most likely not incur any one-time costs for voting hardware. The costs for upgrading software with existing machines are unknown, but based on other states, they are expected to be quite limited. Any potential one-time costs would likely be offset by future savings due to the cross-partisan primary election only requiring one ballot instead of the current partisan primary system which requires two.

Thank you for your public service, and for your time and consideration of this submission. If you have any questions, please do not hesitate to contact me at: 314.222.0477 or eric@V-pi.org.

Sincerely,

/s/ *Eric H. Bronner*

Eric H. Bronner
Founder | Chief Operating Officer
Veterans for Political Innovation

ⁱ The nonpartisan, independent organization Verified Voting has a public database, available at the following link, which details the voting machines in use across all Missouri counties: <https://tinyurl.com/Verified-Voting-MO-2022>

ⁱⁱ <https://www.stlouis-mo.gov/government/city-laws/board-bills/boardbill.cfm?bbDetail=true&BBId=14003>

ⁱⁱⁱ Based on a fiscal note for Petition 2022-019 estimating that purchasing a single voting machine would cost \$5,000. The RCV Resource Center estimates that "Worth County could add two scanning machines to tabulate RCV elections quickly."

Angela Gabel, Attorney, ABG Law Office LLC provided the following information:



ANGELA B GABEL
9326 Olive Blvd, Suite 200
St. Louis, MO 63132

o: 314.726.2310
c: 314.910.2710
agabel@abglawoffice.com

December 21, 2022

State Auditor's Office
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102
Email: moaudit@auditor.mo.gov

Re: Petitions 2024-013, 2024-014, 2024-015

Dear Auditor Galloway:

This letter is in reference to petitions 2024-013, 2024-014, 2024-015 to adopt ranked choice voting (RCV) in Missouri. If passed, these petitions would allow implementation of a top four primary and instant runoff or ranked choice voting elections for the August and November 2026 elections.

I am a Missouri attorney whose practice has focused on election law since 2014. During that time, I represented the Ferguson-Florissant School District in a lawsuit that resulted in adopting cumulative voting. More recently, I represented the City of Eastpointe, Michigan, when they adopted ranked choice voting pursuant to a consent decree with the Department of Justice. Eastpointe has used ranked choice voting in city council races since 2019.

My law firm provides clients with advice on transitioning and implementing new electoral systems. This advice includes statutory and regulatory review and analysis, as well as a review of the technological and practical challenges involved in any transition.

As you know, Missouri has 116 local election authorities ("LEAs"). Of those, 114 LEAs currently maintain RCV ready equipment. That means that each of those counties and/or independent cities already maintain the hardware necessary to run an RCV election.

The City of St. Louis Board of Election Commissioners is one of the state's largest LEAs. Their current equipment is considered legacy equipment. It is outdated and cannot run an RCV election. However, the City's Board of Alderman provided a \$5 million allotment in FY2022 to purchase a new voting system. This much-needed update will likely occur before voters decide on whether to adopt RCV in Missouri. While there are multiple vendors the City may choose to purchase from, any new system will have the capability to run an RCV election. Thus, the City of St. Louis' Board of Election Commissioners will be able to implement RCV without any additional cost to taxpayers.

After the City of St. Louis purchases new equipment, Worth County, Missouri will be the only LEA without RCV-ready equipment. While Worth County had previously reported using legacy equipment too old to run an RCV election, it now reports using hand-counts for paper ballots. (See, <https://verifiedvoting.org/verifier/#mode/navigate/map/ppEquip/mapType/normal/year/2022/state/29>)

Worth County has a population of just 1,465 registered voters. That small number of voters would allow for hand-counts, even in RCV elections. For that reason, Worth County does not need to purchase additional hardware and can implement RCV without any additional cost to taxpayers.

Many, but not all, of the state's LEAs will need to upgrade their software. Some voting system vendors include these costs with their annual fees. Others do not. The costs for software upgrades will vary based on the vendor, the date of the hardware, and the LEA's individual, negotiated contract. As such, any additional cost to taxpayers for software upgrades are undetermined.

Aside from hardware and software, many LEAs will be able to save taxpayer dollars in running a non-partisan primary. As it stands, LEAs must print separate ballots for the Democrat, Republican, Libertarian, and Constitution Parties. Separate ballots will no longer be necessary under petitions 2024-013, 2024-014, 2024-015. Thus, LEAs will save an undetermined amount on printing and formatting costs.

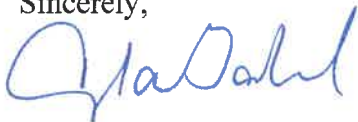
Finally, petitions 2024-013, 2024-014, 2024-015 require the state to conduct a voter education campaign. The cost for voter education campaigns can vary dramatically. Typically, these campaigns include a website, promotional material, candidate education, and/or town-hall meetings. The state of Alaska recently implemented ranked choice voting in 2022. The fiscal note estimated the cost for the education campaign at \$150,000.

<https://www.elections.alaska.gov/petitions/19AKBE/19AKBEStatementOfCosts.pdf>

Based on this analysis, taxpayers should not incur additional costs to purchase hardware to run ranked choice voting in Missouri. The cost for software and a voter education campaign is estimated at \$150,000 - \$250,000.

Thank you for your consideration.

Sincerely,



Angela Gabel
Attorney, ABG Law Office LLC

Prof. Samuel S.-H. Wang, Director, Electoral Innovation Lab provided the following information:



December 21, 2022

Nicole Galloway
State Auditor of Missouri
301 West High Street, Room 880
Jefferson City, MO 65102
moaudit@auditor.mo.gov

RE: Petitions 2024-013, 2024-014, and 2024-015

Dear Auditor Galloway,

I write today regarding the estimated fiscal impact of initiative petitions 2024-013, 2024-014, and 2024-015, three bills that would implement a new final-four primary and ranked-choice voting general election scheme to elections conducted in Missouri.

I am Dr. Sam Wang, professor at Princeton University and director of the Electoral Innovation Lab. The Electoral Innovation Lab takes an engineering-like approach to democracy repair. We use theory and analysis to anticipate how problems in representation, engagement, and depolarization can be solved before they become widespread. This comprehensive approach is used to develop policy reforms, inform legal scholarship and academic research. Ultimately, we seek to test proposed policies: legislative actions, election rules, redistricting optimization, and community strategies. In recent years we have applied our investigational methods to voting reforms, including ranked-choice voting in Maine and Alaska.

Many other jurisdictions have experience implementing ranked-choice voting systems and have done thorough fiscal impact analyses thereof, and can provide some evidence of costs should Missouri implement this voting system.

Missouri implementation costs are potentially under \$200,000

A comprehensive analysis conducted by the experts at the Ranked Choice Voting Resource Center (<https://bit.ly/RCV-Missouri-2022>) shows that only two out of 116 local election authorities in Missouri, St. Louis City and Worth County, have voting machines that are incompatible with ranked-choice voting methods:

As a worst-case scenario, the fiscal impact of 2024-013, 2024-014, and 2024-015 would arise from replacing voting machines in the two jurisdictions currently lacking machines. In the larger

jurisdiction, St. Louis City, machine upgrades are already planned even without any new laws, and will likely be done by the time 2024-013, 2024-014, and 2024-015 would take effect, after the 2024 cycle. The remaining need is in Worth County, whose population is less than 2,000. In Worth County, tabulation could be done by two machines at a cost of approximately \$10,000. Software upgrades in other counties are part of their normal maintenance costs. Additional costs may still be modest: at a cost of \$1,000 per county, the necessary software above and beyond already-planned upgrades would still be below \$200,000. Countervailing to these costs is the fact that there will be an unknown amount of savings in future years because the primary election will require only one ballot instead of one for each partisan primary, as is now the case.

Implementation costs in other states: \$400,000 to \$600,000

Worst-case costs can be calculated using the experience of other states. Maine implemented ranked-choice voting in 2018. The state analyzed the costs of implementing the new system during the first year and found that the total fiscal impact to the state was \$441,804, the largest portion of which was actually the requirement to print a separate ballot to run a referendum measure on an unrelated matter.¹ Voters in Alaska recently approved similar voting reforms to those under consideration in Missouri. The state's official estimate of costs for needed ballot tabulation equipment was only \$534,300.²

Thank you for your consideration of this submission. If you have any questions, please do not hesitate to call (609) 258-0388 or email sswang@princeton.edu.

Yours sincerely,

A handwritten signature in black ink that reads "Samuel S.-H. Wang". The signature is fluid and cursive, with the first name "Samuel" being the most prominent.

Prof. Samuel S.-H. Wang
Director, Electoral Innovation Lab

Professor, Princeton University
Neuroscience Institute, Washington Road
Princeton, New Jersey

¹ See <https://www.maine.gov/sos/cec/elec/upcoming/pdf/rcv.costs.2018.pdf>

² See <https://www.elections.alaska.gov/petitions/19AKBE/19AKBEStatementOfCosts.pdf>

Rob Richie, President and CEO, FairVote provided the following information:

Location

6930 Carroll Ave.
Suite 240
Takoma Park, MD 20912

Contact

hello@fairvote.org
Phone +1 301 270 4616

Facebook / [@fairvotereform](https://www.facebook.com/fairvotereform)
Instagram / [@fairvotereform](https://www.instagram.com/fairvotereform)
Twitter / [@fairvote](https://twitter.com/fairvote)

WWW.FAIRVOTE.ORG

December 23, 2022

State Auditor's Office
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102
Email: moaudit@auditor.mo.gov

Re: 2024-013, 2024-014, 2024-015

Dear Auditor Galloway,

FairVote is a nonpartisan, nonprofit organization and leading advocate and analyst of ranked choice voting since its inception in 1992. I have been closely involved in a number of implementations of ranked choice voting over the past two decades. **Ranked choice voting is the fastest growing election reform in the nation**, used in 2021 and 2022 in more than 40 cities and states, including for all of Alaska's federal and state elections, Maine's primary and federal elections, and New York City primary elections.

Initiative petitions 2024-013, 2024-014, and 2024-015 are similar to petitions 2022-051, 2022-052, 2022-060, and 2022-061. If passed, these petitions would modify Missouri election law so that candidates are chosen via top four primaries and ranked choice, or instant run-off, elections.

The fiscal impact for this change could be as little as \$10,000, as explained in this letter.

First, estimates of the costs of implementation of ranked choice voting often skew high before enactment and implementation, and actual costs will depend on decisions made by election officials. For example, the official fiscal note from Maine election officials before and after its voters passed ranked choice voting in 2016 was more than \$1.5 million. The actual costs in the June 2018 statewide primary elections for governor and other state and congressional primaries were less than \$100,000.

When North Carolina election officials learned in August 2010 they had to run a statewide ranked choice election in November 2010

for a judicial vacancy election with 13 candidates, they did so within their existing budget.

Second, while we strongly support voter education as a general matter, any taxpayer costs associated with voter education are not intrinsic to adoption of ranked choice voting. Some jurisdictions like Maine have adopted and implemented ranked choice voting with virtually no extra money spent on voter education, and voters in those jurisdictions have handled the new system very well, with [82% of voters from a poll released in November 2022 in Maine's 2nd congressional district finding that ranked choice voting is "easy" or "very easy."](#)

Third, the fiscal notes and public comment for petitions 2022-051, 2022-052, 2022-060, and 2022-061 showed that the vast majority of Missouri's local election authorities already have voting equipment that can be used for ranked choice voting / instant run-off elections. Since the fiscal notes for the 2022 petitions were completed, additional election authorities have begun using voting machines that are capable of conducting instant run-off elections:

- **Macon County** now has ES&S DS200/DS450/ExpressVote machines, which are capable of conducting instant run-off / ranked-choice voting elections.
- **Bates County** now has Unisyn OpenElect OVO/OpenElect OVI machines, which are capable of conducting instant run-off / ranked-choice voting elections.
- **Henry County** now has Unisyn OpenElect FVS/OpenElect Freedom Vote Tablet machines, which are capable of conducting instant run-off / ranked-choice voting elections.

Together, at least 115 of Missouri's 116 local election authorities will have machines capable of conducting instant run-off elections before Missourians are able to vote on petitions 2024-013, 2024-014, or 2024-015.

The City of St. Louis has allocated funds for new voting machines that are capable of conducting instant run-off elections, and those machines will be in use with or without passage of petitions 2024-013, 2024-014, and 2024-015. The Board of Alderman [appropriated \\$5,000,000 for new voting equipment in Board Bill Number 206 in May 2022.](#)

Fourth, apart from ongoing upgrades in St. Louis, the only local election authority in Missouri that does not currently have hardware capable of conducting instant run-off elections is **Worth County**. Worth County has just 1,465 registered voters, and County staff tabulate election results there by hand count. Ranked choice voting elections can also be tabulated by hand with paper ballots.

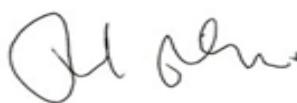
The above-cited updates demonstrate petitions 2024-013, 2024-014, and 2024-015 would require limited costs for voting hardware. Costs for upgrading software with existing machines are variable based on election system vendors, but based on other states, are expected to be quite limited.

We concur with estimates from the Ranked Choice Voting Resource Center that the fiscal impact of 2024-013, 2024-014, and 2024-015 for purchasing ranked choice voting capable equipment will be between \$0 and \$10,000 in one-time costs depending on whether Worth County purchases equipment or conducts hand counts. Additional resources to consider include:

- The nonpartisan, independent organization [Verified Voting has a publicly-available database available](#), which details the voting machines in use across all Missouri counties.
- Additional information from the [Ranked Choice Voting Resource Center about the counties which already have ranked-choice voting-ready machines can be found here](#).

If you have any questions about this letter, or if we can serve as a resource to you for ranked choice voting information and implementation, I can be reached at rr@fairvote.org or 301-270-4616.

Sincerely yours,



Rob Richie
President and CEO

The State Auditor's office did not receive a response from the **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and the University of Missouri.**

Fiscal Note Summary

State and local governmental entities' costs are estimated at \$2.3 million in one-time costs, and ongoing costs of at least \$80,000 annually, \$341,000 each primary election, \$351,000 each general election, and \$299,000 for all other elections. State and local governmental entities' savings are estimated at an unknown amount.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

December 15, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

DEC 15 2022

STATE AUDITORS OFFICE

RE: Petition approval request from David Roland regarding a proposed constitutional amendment to Article VIII, version 2 (2024-014)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by David Roland on December 15, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

RECEIVED
2022 DEC 15 AM 11:21
[Signature]

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting eight new Sections to be known as Article VIII, Sections 24, 25, 26, 27, 28, 29, 30, and 31.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting eight new Sections to be known as Article VIII, Sections 24, 25, 26, 27, 28, 29, 30, and 31 to read as follows:

Section 24. 1. Every voting machine used to conduct any public election in the State of Missouri shall be tested and certified as secure at least six months prior to each election in which the voting machine will be used. Such testing and certification shall meet all standards established by the United States Election Assistance Commission or independent testing authority designated by the United States Election Assistance Commission. In addition, the Secretary of State shall test and certify voting equipment and/or software necessary to run an instant runoff election at least six months prior to implementation.

2. Every voting machine used to conduct any election in the State of Missouri shall produce an individual, anonymous, permanent paper record for each vote cast, which shall be made available for inspection and verification by the voter at the time the vote is cast. Such individual, anonymous, permanent paper record shall be preserved for use in any election audit.

3. The candidate or their designee shall have the right to be present whenever paper ballots or the permanent paper records produced by electronic voting machines are counted, audited, or placed in storage.

Section 25. 1. Beginning with the 2026 primary election, and notwithstanding any other provision of law to the contrary, primary elections for all state executive branch offices, members of the Missouri General Assembly, and members of the United States Congress shall be open primaries where the four candidates for each office who receive the most votes advance to the general election.

2. Primary ballots for all offices listed in Subsection 1 of this Section shall meet the following criteria:

(1) All qualified candidates, regardless of party affiliation, shall appear on a single ballot to be used by all qualified voters, regardless of party affiliation.

(2) Primary ballots shall include space for write-in candidates for every office appearing on the ballot.

3. In the primary election for all offices listed in Subsection 1 of this Section, a qualified voter shall be permitted to cast a vote for any candidate for whom that voter is otherwise eligible to vote. A qualified voter shall only vote for one candidate for each office.

4. The four candidates for each office receiving the most votes in the primary election shall advance to the general election for that office. Only those candidates shall appear on the general election ballot.

5. If it cannot be determined which four candidates received the most votes because two or more candidates are tied with an equal number of votes, that tie shall be broken by drawing lots.

Section 26. 1. Beginning with the November 2026 general election, and notwithstanding any other provision of law to the contrary, general elections for all offices listed in Subsection 1 of Section 25 shall be instant runoff elections in which a qualified voter may indicate their preferred candidate Ranking Order on the ballot.

2. In an instant runoff general election conducted under this Section, each ballot shall count as one vote for the highest-ordered, Active Candidate for each office on that ballot, and tabulation shall proceed in rounds.

3. If, at the beginning of any round of tabulation, an Active Candidate receives a majority of the votes cast for an office, that candidate is elected for that office and tabulation is complete.

4. If, after any round of tabulation, no Active Candidate for an office has received a majority of the votes, a new round of tabulation shall begin and proceed as follows:

(1) The Active Candidate receiving the fewest number of votes shall be eliminated.

(2) Each ballot containing a vote cast for the eliminated candidate shall count as a vote for its next highest-ordered Active Candidates.

(3) Votes shall be tabulated pursuant to Subdivisions (1) and (2) of this Subsection until an Active Candidate receives the majority of the remaining votes.

5. If a ballot has a Ranking Order for an office that does not contain any candidate, and there are no Active Candidates at a higher Ranking Order, the ballot shall count as a vote for the highest-ordered Active Candidate after that Ranking Order, if any.

6. Ballots shall not count as a vote for any candidate for a particular office only if:

(1) The ballot does not include an Active Candidate for an office at any Ranking Order; or

(2) The ballot contains an Overvote that includes the highest-ordered Active Candidate for that office.

7. If two or more candidates for an office are tied with equal and lowest number of votes, and the tabulation in Subsection 4 cannot continue until the candidate with the lowest number of votes is eliminated, the candidate to be eliminated shall be determined by drawing lots.

8. General election ballots shall be laid out to allow voters to indicate their preferred candidate Ranking Order. Election officials shall design the ballot to be easy for voters to understand, consistent with accepted best practices in ballot design.

9. A voter's Ranking Order of up to four candidates shall be considered an expression of the voter's intent to indicate candidate preference(s) and shall not be considered an Overvote.

10. Instructions on the general election ballot shall include the following statement: "You may mark up to four choices in order of preference. Do not assign the ranking number to more than one candidate. "

11. Beginning at least one hundred twenty days before the first election utilizing the instant runoff system, the Secretary of State and local election authorities shall conduct a statewide voter education campaign to familiarize voters with the instant runoff voting system.

12. Notwithstanding any other provisions of law to the contrary, the aggregated vote totals from the primary election shall be used, as may be required by any other law, for the purposes of identifying the two major political parties, for a political party to maintain qualified status, or the establishment of a new political party.

Section 27. 1. Beginning after the 2026 general election, and notwithstanding any other provision of law to the contrary, a special election shall be called to fill any vacancy in any office listed in Subsection 1 of Section 25.

2. A special election to fill a vacancy in any such office shall be conducted pursuant to the primary and general election processes described in Sections 25 and 26.

Section 28. 1. For the purposes of Article VIII, the following terms mean:

(1) "Active Candidate", a candidate who has not been eliminated during an instant runoff tabulation.

(2) "Overvote", a vote in which the qualified voter indicated a preference for more than one candidate at the same ranking order.

(3) "Order" or "Ranking Order", the number a qualified voter assigns on their ballot to a candidate indicating that voter's preference, with 1 being the highest ranking order and 4 being the lowest ranking order.

Section 29. The Secretary of State shall issue rules and regulations necessary to implement Sections 24 to 28 of this Article. No rule or portion of a rule promulgated under the authority of such Sections shall become effective unless it has been promulgated pursuant to the requirements provided by law.

Section 30. 1. Nothing in this section shall limit the use of any applicable election law that is not inconsistent with the requirements and systems established in Sections 24 to 28.

2. Nothing in this section shall limit the general assembly from enacting laws consistent with Sections 24 to 28, or otherwise affecting the rights of qualified voters in an instant runoff election. The general assembly shall not enact laws that hinder the establishment of the open primaries and instant runoff voting systems established by Sections 24 to 28.

Section 31. If any provision of Sections 24 to 28 or the application thereof to anyone or to any circumstance is held invalid, the remainder of those provisions and the application of such provisions to others or other circumstances shall not be affected thereby.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-014)**

Subject

Initiative petition from David Roland regarding a proposed constitutional amendment to Article VIII. (Received December 15, 2022)

Date

January 4, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, and the **Clay County Board of Election Commissioners**.

David O'Brien, Policy Director, RepresentUS provided information to the State Auditor's office.

Chris Hughes, Director of Policy, Ranked Choice Voting Resource Center provided information to the State Auditor's office.

Eric H. Bronner, Founder/Chief Operating Officer, Veterans for Political Innovation provided information to the State Auditor's office.

Angela Gabel, Attorney, ABG Law Office LLC provided information to the State Auditor's office.

Prof. Samuel S.-H. Wang, Director, Electoral Innovation Lab provided information to the State Auditor's office.

Rob Richie, President and CEO, FairVote provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated there is no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-014 proposing to amend Article VIII, version 2.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate an impact.

Officials from the **Governor's office** indicated this proposal relating to open elections and ranked preference voting does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated they do not anticipate any fiscal impact associated with Initiative Petition 24-014.

Officials from the **Department of Transportation** indicated no impact on their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to open elections and ranked preference voting does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated this petition would transition Missouri elections to a ranked-choice voting system by January 1, 2026. There are three potential areas of expense which could be incurred in implementing this measure: the required public education campaign, reprogramming of the state election management system, and replacement of voting machines. The state may be required to pay any or all of these costs under Article X, Section 21 of the Missouri Constitution.

This measure would require their office to conduct a voter education campaign to familiarize voters with the instant runoff voting system and ranked-choice ballots. The precise cost of such a campaign would vary depending on strategic decisions and appropriation by the General Assembly. A statewide educational campaign is estimated to reach or exceed \$2,000,000 beginning in fiscal year (FY) 2026. Primarily this would be one-time costs but with the possibility to carry over, especially if the campaign is implemented a significant time before the election at which the system first sees service.

Additionally, the Missouri Centralized Voter Registration program (MCVR) would need to be modified to accept ranked-choice vote totals. The total numbers of each different ballot ranking combination would need to be tabulated in MCVR from the local election authorities (LEAs) before the instant runoff process could take place, especially in the case of statewide races. This would require programming resources to be devoted beyond those covered under the normal maintenance and upkeep contracts. Labor costs to program this modification are estimated by the vendor at \$46,000, to be executed in FY 2025 or FY 2026 in preparation for the time when ranked-choice voting begins in 2026.

Finally, in order to properly handle ranked-choice ballots, all voting equipment statewide must either be updated with code which allows ranked-choice voting or be replaced with ranked-choice-compatible machines. Since reprogramming can reasonably be considered a lesser cost than full replacement, they present the replacement cost as a maximum for this potential expense. The latest voting systems survey, conducted in 2020, found 5,735 pieces of election equipment in service statewide. At an average replacement cost of \$5,000 per machine, this could result in a cost of up to \$28,675,000 in FY 2025 or FY 2026.

Each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate the following additional costs as a result of this petition:

- ~\$12,000 in additional ballots for all parties to vote on all State and Federal (except President) level candidates, per Primary and General even-year elections.
- ~\$25,000 onetime software expense to update both primary and general election ballots as well as produce the paper record for each vote in Section 24.2
- ~\$25,000 each primary election to print each paper record under 24.2
- ~\$25,000 each general election to print each paper record under 24.2
- ~\$5,000 each primary election for poll workers to assist with voter inspection of records under 24.2
- ~\$10,000 each general election for poll workers to assist with voter inspection of records under 24.2
- ~100,000 for onetime software upgrades to fulfill the instant runoff tabulation provisions of Section 26
- ~5,000 in onetime training costs for workers
- ~\$10,000 in onetime voter education costs under Section 26.11

In sum, one-time estimate of \$140,000 and ongoing costs of \$89,000 per every even year.

Officials from **Greene County** indicated in reviewing initiative petition 24-014 it has been determined there will be an increased cost to the County of Greene if voters vote to amend Article VIII, version 2 with the proposed language in this initiative petition.

Section 24:

Testing the election equipment 6 months prior to each election would require no less than 3 tests per year at an estimated cost of \$9,000 per election.

Election Equipment Testing Cost Estimate: \$27,000

Section 25:

The increase in the candidate names on one ballot in addition to the write-in opportunity for each race will increase the testing hours. It will also include the voter education campaign. The expense for this will be accomplished by sending a mailer to voters educating them to the change. There will be a decrease in the ballot faces representing each party. The decrease in ballot faces will cause a decrease in the ballot order total, due to all contests being on one ballot.

Taking the August 2022 primary election cost as the point of comparison shows that there will be a **one-time cost increase by \$58,132.38**, due to the one-time voter education campaign.

Section 26:

An RCV election for a November General would increase by an additional **\$5,138.83** due to the coding and layout cost for a ranked choice election.

Section 27:

There would be no additional cost overall for this section, as these election costs are paid for by the state in the case of a special election.

Section 28:

No known cost at this time, since no rules have been promulgated by the SOS.

Section 29:

No cost

Officials from **St. Louis County** indicated from the St. Louis County Board of Elections: "We believe this will have a fiscal impact of anywhere from \$0-50,000 because it is unknown if we would need to pay for new software or to use open-sourced software to adapt to ranked-choice voting. In addition, this petition would require them to hold a special election for a vacancy, which would cost about \$1 million per county-wide election. Finally, to send one mailing to each voter would cost about \$250,000 to comply with a voter education campaign."

Officials from the **City of Kansas City** indicated no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis County Board of Elections** indicated they believe this will have a fiscal impact of anywhere from \$0 - 50,000 because it is unknown if they would

need to pay for new software or to use open-sourced software to adapt to ranked-choice voting. In addition, this petition would require them to hold a special election for a vacancy, which would cost about \$1 million per county-wide election. Finally, to send one mailing to each voter would cost about \$250,000 to comply with a voter education campaign.

Officials from the **Board of Election Commissioners City of St. Louis** indicated this petition would require the City Election Board to have the capability to conduct ranked choice voting. While their current voting system does not have this capability, they have been given funding to purchase a new system. Any system they would acquire would have this capability (though one vendor's current system allows three candidates; another vendor's standard software package does not include ranked choice but allows for the separate purchase of a license for an additional fee which they would not acquire unless forced to do so).

This petition also requires local election authorities to conduct a voter education campaign. The scope of this campaign is vague and the petition makes no mention of where funding for this education would come from. If the City Election Board sent a mailing to all City voters notifying them of these substantial changes, which would certainly be justified, the cost of such mailing could be estimated at around \$50,000.

Officials from the **Kansas City Board of Election Commissioners** indicated if this initiative petition becomes law, definitions "for shall be tested and certified as secure" needs more explanation to give a more realistic fiscal impact. An estimation of at least two additional warehouse staff at \$40,000 each, including benefits would be needed. Software for an instant runoff would be \$25,000. Training for staff would be \$10,000. Permanent paper record for each vote cast and available for inspection and verification by the voter at the time the vote is cast is an impossible task and could not be accomplished.

Regarding the Rank Choice voting portion of this petition, new software would need to be purchased at \$25,000 and staff would need to be retrained at \$10,000. The election day ballot would go to two pages due to the increased length of the ballot (200,000 times 50 cents a ballot) \$100,000. Legal Notices would be placed in all K.C. area newspapers \$30,000. Literature explaining rank choice voting would be printed and mailed to all voters at \$100,000. Also election day judges would need to be trained at \$30,000.

Total cost to implement this new law would be roughly \$410,000, but a portion of this petition could not be done as described above.

Officials from the **Platte County Board of Elections** indicated their current voting equipment is capable of instant runoff voting. There should be no direct costs associated with this petition.

Officials from the **Jackson County Election Board** indicated the current version of their tabulation software does not support rank choice voting for four selections.

There is currently no software certified by the Election Assistance Commission (EAC) to support a four-candidate selection. If the software were approved by the EAC an upgrade would need to be purchased by the Jackson County Election Board.

There is currently no funding source available for this purchase.

Fiscal Note Estimate
\$25,000.00 - \$35,500.00

Voter education would be necessary and the cost substantial. Run-Off and Rank Choice Voting are very confusing to voters.

\$140,000.00 - \$200,000.00 estimate for development of education materials and mailings.

Depending on the number of candidates running in the primary election and other issues placed on the ballot the Board could be forced to a three-page ballot causing confusion at the polling locations and doubling the ballot costs.

Normal ballot costs for primary & general elections: \$60,200.00

\$60,200.00

Total Fiscal Note:
\$225,200.00 - \$295,700.00

Officials from the **City of Jefferson City** indicated the proposed initiative petition would not have a direct fiscal impact to their city since Cole County conducts elections for the City. Presumably, Cole County could "bill" the City for any costs incurred by the County associated with implementing the referenced election requirements.

Officials from the **St. Louis Community College** indicated this initiative does not appear to have any significant specific cost or cost savings to their college. Indirect cost considerations have not been determined. In particular, if the petition delays or inhibits voting for elected officials for the Community College Districts or increases the cost of elections then it could have a potentially negative impact. Such impact cannot be evaluated at this time.

David O'Brien, Policy Director, RepresentUS provided the following information:



December 20, 2022

Nicole Galloway
State Auditor of Missouri
301 West High Street, Room 880
Jefferson City, MO 65102
moaudit@auditor.mo.gov

RE: PETITIONS 2024-013, 2024-014, AND 2024-015

Dear Auditor Galloway,

We are writing on behalf of RepresentUS regarding the ballot petitions officially named 2024-013, 2024-014 and 2024-015, which would bring Final Four open primaries and instant runoff voting ("IRV," sometimes referred to as "ranked choice voting") to Missouri elections. RepresentUs is a national, nonpartisan organization focused on improving America's political system. We work with partners and volunteers across the political spectrum to pass pro-democracy reforms at the state and local level. RepresentUS has helped grassroots campaigns to bring reforms like Final Four and IRV across the country.

In our experience, the costs associated with implementing IRV are often far below what many initially expect, and we expect this trend to hold in Missouri. The vast majority of counties will not need to replace their existing voting machines. According to a comprehensive analysis by the Ranked Choice Voting Resource Center, all but two of Missouri's counties currently have voting machines capable of conducting elections with IRV.¹ Furthermore, it is our understanding that one of those two counties, St. Louis City, is already planning on upgrading its voting systems to models with IRV-capable hardware. This means that the costs of technical implementation for nearly every county in the state would be limited to software upgrades.

For comparison, when Alaska's Division of Elections's released a fiscal note for a ballot measure to implement the same policy as contained in 2024-013, 2024-014 and 2024-015, it determined that 137 machines would have to be replaced at cost of \$3,900 each, for a total cost of \$534,300.² In the majority of counties that will not need to replace voting machines, however, costs will be more similar to those in Maine, which did not need to upgrade its voting systems.

¹ Ranked Choice Voting Resource Center, Missouri Ranked Choice Voting State Readiness Assessment 2022 Edition, p. 14 (<https://bit.ly/RCV-Missouri-2022>).

² Alaska Division of Elections, 19AKBE - Statement of Costs, <https://www.elections.alaska.gov/petitions/19AKBE/19AKBEStatementOfCosts.pdf>. The Division of Elections also estimates the total cost of implementation to be \$803,593, including costs for things like voter education (\$150,000) and language assistance (\$57,416).



When Maine used IRV for the first time in 2018, its Secretary of State reported that the entire cost of statewide implementation that year was \$441,804.³

Considering the experiences of other jurisdictions that have adopted IRV, we expect the cost of implementation in Missouri to be fairly modest. Thank you for your time and attention to this matter.

Sincerely,

David O'Brien
Policy Director

³ Maine Office of the Secretary of State, Maine Costs for Ranked-choice Voting in 2018, <https://www.maine.gov/sos/cec/elec/upcoming/pdf/rcv.costs.2018.pdf>.

Chris Hughes, Director of Policy, Ranked Choice Voting Resource Center provided the following information:



December 20, 2022

Nicole Galloway
State Auditor of Missouri
301 West High Street, Room 880
Jefferson City, MO 65102
moaudit@auditor.mo.gov

RE: PETITIONS 2024-013, 2024-014, and 2024-015

Dear Auditor Galloway,

We are writing on behalf of the Ranked Choice Voting Resource Center regarding the estimated fiscal impact of initiative petitions 2022-049 and 2022-050, which would bring Top 4 open primaries and instant runoff voting (“IRV,” sometimes referred to as “ranked-choice voting” or “RCV”) to Missouri elections. The Ranked Choice Voting Resource Center is a 501(c)(3) nonprofit organization that provides information, research, and tools to teach the public about ranked choice voting. The staff of the Resource Center have decades of election administration experience and experience overseeing ranked choice voting elections at all levels of government. Our nationally recognized center is regarded as the premier ranked choice voting resource for voters, election administrators, policymakers, and candidates.

We recently conducted a statewide analysis of Missouri’s voting equipment in our [Missouri RCV Administrative Assessment](https://bit.ly/RCV-Missouri-2022) (<https://bit.ly/RCV-Missouri-2022>). In our analysis, we found that 114 of 116 local election authorities (113 counties and one city) in Missouri have RCV capable equipment: equipment that can now, or after a software update, be used to hold ranked choice voting elections. In these counties, hardware purchases are not necessary to add RCV capability. Software upgrades, however, may be necessary and will need to have their costs negotiated directly with the vendors providing equipment to each local election authority. We do not know how many of these election authorities will need to update their software nor how much it may cost any one authority to make upgrades, so we do not estimate those costs here.

One local election authority (St. Louis City) has legacy voting equipment – equipment at the end of its usable lifespan – and one local election authority (Worth County) hand counts its elections. St. Louis City should replace its legacy voting equipment soon as it is at the end of its usable lifespan. All modern voting equipment available today includes ranked choice voting capability. By replacing that legacy equipment, St. Louis City will also gain ranked choice voting capability.



Worth County can conduct ranked choice voting elections by hand though we suggest using voting equipment to speed up the counting process.

The City of St. Louis has allocated \$5,000,000 for new voting machines that are capable of conducting instant run-off elections, and those machines will be in use with or without passage of petitions 2024-013, 2024-014, and 2024-015.

<https://www.stlouis-mo.gov/government/city-laws/board-bills/boardbill.cfm?bbDetail=true&BBIId=14003>. Given that these machines should be in place before any implementation of petitions 2024-013, 2024-014, and 2024-015, we do not include the City of St. Louis in our cost estimate.

A fiscal note for Petition 2022-19 estimated that purchasing a single voting machine would cost \$5,000. Based on publicly available information about voting machines used in the state, we estimate that Worth County could add two scanning machines to tabulate RCV elections quickly. At a rate of \$5,000 per machine, that will cost approximately \$10,000. Worth County could also spend no money and continue to hand count their elections.

Based on this analysis, the fiscal impact of 2024-013, 2024-014, and 2024-015 for purchasing ranked choice voting capable equipment will be between \$0 and \$10,000 in one-time costs.

Thank you for your consideration of this submission. If you have any questions, please contact the Ranked Choice Voting Resource Center at info@rcvresources.org or 1-833-VOTE-RCV (1-833-868-3728).

Sincerely,

Chris Hughes
Director of Policy

Eric H. Bronner, Founder/Chief Operating Officer, Veterans for Political Innovation
provided the following information:



December 21, 2022

The Honorable Nicole Galloway
State Auditor of Missouri
301 West High Street, Room 880
Jefferson City, MO 65102
moaudit@auditor.mo.gov

RE: PETITIONS 2024-013, 2024-014 AND 2024-015

Dear Auditor Galloway,

I am writing to you today on behalf of Veterans for Political Innovation regarding the estimated fiscal impact of initiative petitions 24-013, 24-014 and 24-015. I am also writing as a licensed Missouri attorney and a concerned Missouri citizen.

Veterans for Political Innovation (VPI) is a national, nonpartisan nonprofit community, based out of Saint Louis, Missouri. VPI is mobilizing veterans and supporters to make politics less toxic through innovations that bring more competition to all our elections. Over the past year, VPI has educated, trained and mobilized hundreds of veterans, in over 35 states, as trusted messengers for nonpartisan reforms such as “Final-4 Voting”—the innovative reform package outlined in these petitions. Part of our mission is to fully enfranchise and empower the approximately 50% of military veterans who do not affiliate or identify with either major political party. Independent voters want more choices in primary elections. With more electoral competition in every district, we will reward common sense problem solvers, once again, and make our campaigns and our politics less toxic.

Initiative petitions 24-013, 24-014 and 24-015 are functionally identical to petitions 2022-051, 2022-052, 2022-060 and 2022-061. If passed, these petitions would modify Missouri election law, so that candidates are chosen via “Final-4 Voting”; that is, top-four, cross-partisan (single ballot) primary elections and instant run-off voting general elections.

Since the fiscal notes for petitions 2022-051, 2022-052, 2022-060, and 2022-061 were completed, even more local election authorities in Missouri have begun using voting machines that can conduct instant run-off elections, including Macon, Bates and Henry Counties.ⁱ

Indeed, a comprehensive analysis conducted by the experts at the nonpartisan Ranked Choice Voting Resource Center shows that only two out of 116 local election authorities in Missouri—St. Louis City and Worth County—have voting machines that are incompatible with instant run-off voting (<https://bit.ly/RCV-Missouri-2022>).



The **City of St. Louis** has allocated funds for new voting machines that can conduct instant run-off elections, and those machines will be in use with or without passage of petitions 2024-013, 2024-014, and 2024-015. The Board of Alderman appropriated \$5,000,000 for new voting equipment in Board Bill Number 206 in May 2022ⁱⁱ.

The only local election authority in Missouri that does not currently have hardware capable of conducting instant run-off elections is **Worth County**. Worth County has just 1,465 registered voters, and County staff tabulate election results there by hand count. Instant runoff voting elections can also be tabulated by hand with paper ballots.

Together, at least 115 of Missouri's 116 local election authorities will have machines capable of conducting instant run-off voting elections *before* Missourians even vote on petitions 2024-013, 2024-014, or 2024-015. The exact cost of Worth County's voting machine upgrades is unknown, but very likely less than \$15,000ⁱⁱⁱ. Because most local election authorities have already budgeted for regular voting machine software upgrades, any costs associated with software should not be included in this fiscal note.

In conclusion, petitions 2024-013, 2024-014, and 2024-015 would most likely not incur any one-time costs for voting hardware. The costs for upgrading software with existing machines are unknown, but based on other states, they are expected to be quite limited. Any potential one-time costs would likely be offset by future savings due to the cross-partisan primary election only requiring one ballot instead of the current partisan primary system which requires two.

Thank you for your public service, and for your time and consideration of this submission. If you have any questions, please do not hesitate to contact me at: 314.222.0477 or eric@V-pi.org.

Sincerely,

/s/ *Eric H. Bronner*

Eric H. Bronner
Founder | Chief Operating Officer
Veterans for Political Innovation

ⁱ The nonpartisan, independent organization Verified Voting has a public database, available at the following link, which details the voting machines in use across all Missouri counties: <https://tinyurl.com/Verified-Voting-MO-2022>

ⁱⁱ <https://www.stlouis-mo.gov/government/city-laws/board-bills/boardbill.cfm?bbDetail=true&BBId=14003>

ⁱⁱⁱ Based on a fiscal note for Petition 2022-019 estimating that purchasing a single voting machine would cost \$5,000. The RCV Resource Center estimates that "Worth County could add two scanning machines to tabulate RCV elections quickly."

Angela Gabel, Attorney, ABG Law Office LLC provided the following information:



ANGELA B GABEL
9326 Olive Blvd, Suite 200
St. Louis, MO 63132

o: 314.726.2310
c: 314.910.2710
agabel@abglawoffice.com

December 21, 2022

State Auditor's Office
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102
Email: moaudit@auditor.mo.gov

Re: Petitions 2024-013, 2024-014, 2024-015

Dear Auditor Galloway:

This letter is in reference to petitions 2024-013, 2024-014, 2024-015 to adopt ranked choice voting (RCV) in Missouri. If passed, these petitions would allow implementation of a top four primary and instant runoff or ranked choice voting elections for the August and November 2026 elections.

I am a Missouri attorney whose practice has focused on election law since 2014. During that time, I represented the Ferguson-Florissant School District in a lawsuit that resulted in adopting cumulative voting. More recently, I represented the City of Eastpointe, Michigan, when they adopted ranked choice voting pursuant to a consent decree with the Department of Justice. Eastpointe has used ranked choice voting in city council races since 2019.

My law firm provides clients with advice on transitioning and implementing new electoral systems. This advice includes statutory and regulatory review and analysis, as well as a review of the technological and practical challenges involved in any transition.

As you know, Missouri has 116 local election authorities ("LEAs"). Of those, 114 LEAs currently maintain RCV ready equipment. That means that each of those counties and/or independent cities already maintain the hardware necessary to run an RCV election.

The City of St. Louis Board of Election Commissioners is one of the state's largest LEAs. Their current equipment is considered legacy equipment. It is outdated and cannot run an RCV election. However, the City's Board of Alderman provided a \$5 million allotment in FY2022 to purchase a new voting system. This much-needed update will likely occur before voters decide on whether to adopt RCV in Missouri. While there are multiple vendors the City may choose to purchase from, any new system will have the capability to run an RCV election. Thus, the City of St. Louis' Board of Election Commissioners will be able to implement RCV without any additional cost to taxpayers.

After the City of St. Louis purchases new equipment, Worth County, Missouri will be the only LEA without RCV-ready equipment. While Worth County had previously reported using legacy equipment too old to run an RCV election, it now reports using hand-counts for paper ballots. (See, <https://verifiedvoting.org/verifier/#mode/navigate/map/ppEquip/mapType/normal/year/2022/state/29>)

Worth County has a population of just 1,465 registered voters. That small number of voters would allow for hand-counts, even in RCV elections. For that reason, Worth County does not need to purchase additional hardware and can implement RCV without any additional cost to taxpayers.

Many, but not all, of the state's LEAs will need to upgrade their software. Some voting system vendors include these costs with their annual fees. Others do not. The costs for software upgrades will vary based on the vendor, the date of the hardware, and the LEA's individual, negotiated contract. As such, any additional cost to taxpayers for software upgrades are undetermined.

Aside from hardware and software, many LEAs will be able to save taxpayer dollars in running a non-partisan primary. As it stands, LEAs must print separate ballots for the Democrat, Republican, Libertarian, and Constitution Parties. Separate ballots will no longer be necessary under petitions 2024-013, 2024-014, 2024-015. Thus, LEAs will save an undetermined amount on printing and formatting costs.

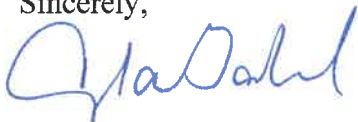
Finally, petitions 2024-013, 2024-014, 2024-015 require the state to conduct a voter education campaign. The cost for voter education campaigns can vary dramatically. Typically, these campaigns include a website, promotional material, candidate education, and/or town-hall meetings. The state of Alaska recently implemented ranked choice voting in 2022. The fiscal note estimated the cost for the education campaign at \$150,000.

<https://www.elections.alaska.gov/petitions/19AKBE/19AKBEStatementOfCosts.pdf>

Based on this analysis, taxpayers should not incur additional costs to purchase hardware to run ranked choice voting in Missouri. The cost for software and a voter education campaign is estimated at \$150,000 - \$250,000.

Thank you for your consideration.

Sincerely,



Angela Gabel
Attorney, ABG Law Office LLC

Prof. Samuel S.-H. Wang, Director, Electoral Innovation Lab provided the following information:



December 21, 2022

Nicole Galloway
State Auditor of Missouri
301 West High Street, Room 880
Jefferson City, MO 65102
moaudit@auditor.mo.gov

RE: Petitions 2024-013, 2024-014, and 2024-015

Dear Auditor Galloway,

I write today regarding the estimated fiscal impact of initiative petitions 2024-013, 2024-014, and 2024-015, three bills that would implement a new final-four primary and ranked-choice voting general election scheme to elections conducted in Missouri.

I am Dr. Sam Wang, professor at Princeton University and director of the Electoral Innovation Lab. The Electoral Innovation Lab takes an engineering-like approach to democracy repair. We use theory and analysis to anticipate how problems in representation, engagement, and depolarization can be solved before they become widespread. This comprehensive approach is used to develop policy reforms, inform legal scholarship and academic research. Ultimately, we seek to test proposed policies: legislative actions, election rules, redistricting optimization, and community strategies. In recent years we have applied our investigational methods to voting reforms, including ranked-choice voting in Maine and Alaska.

Many other jurisdictions have experience implementing ranked-choice voting systems and have done thorough fiscal impact analyses thereof, and can provide some evidence of costs should Missouri implement this voting system.

Missouri implementation costs are potentially under \$200,000

A comprehensive analysis conducted by the experts at the Ranked Choice Voting Resource Center (<https://bit.ly/RCV-Missouri-2022>) shows that only two out of 116 local election authorities in Missouri, St. Louis City and Worth County, have voting machines that are incompatible with ranked-choice voting methods:

As a worst-case scenario, the fiscal impact of 2024-013, 2024-014, and 2024-015 would arise from replacing voting machines in the two jurisdictions currently lacking machines. In the larger

jurisdiction, St. Louis City, machine upgrades are already planned even without any new laws, and will likely be done by the time 2024-013, 2024-014, and 2024-015 would take effect, after the 2024 cycle. The remaining need is in Worth County, whose population is less than 2,000. In Worth County, tabulation could be done by two machines at a cost of approximately \$10,000. Software upgrades in other counties are part of their normal maintenance costs. Additional costs may still be modest: at a cost of \$1,000 per county, the necessary software above and beyond already-planned upgrades would still be below \$200,000. Countervailing to these costs is the fact that there will be an unknown amount of savings in future years because the primary election will require only one ballot instead of one for each partisan primary, as is now the case.

Implementation costs in other states: \$400,000 to \$600,000

Worst-case costs can be calculated using the experience of other states. Maine implemented ranked-choice voting in 2018. The state analyzed the costs of implementing the new system during the first year and found that the total fiscal impact to the state was \$441,804, the largest portion of which was actually the requirement to print a separate ballot to run a referendum measure on an unrelated matter.¹ Voters in Alaska recently approved similar voting reforms to those under consideration in Missouri. The state's official estimate of costs for needed ballot tabulation equipment was only \$534,300.²

Thank you for your consideration of this submission. If you have any questions, please do not hesitate to call (609) 258-0388 or email sswang@princeton.edu.

Yours sincerely,

A handwritten signature in black ink that reads "Samuel S.-H. Wang". The signature is fluid and cursive, with the first name "Samuel" being the most prominent.

Prof. Samuel S.-H. Wang
Director, Electoral Innovation Lab

Professor, Princeton University
Neuroscience Institute, Washington Road
Princeton, New Jersey

¹ See <https://www.maine.gov/sos/cec/elec/upcoming/pdf/rcv.costs.2018.pdf>

² See <https://www.elections.alaska.gov/petitions/19AKBE/19AKBEStatementOfCosts.pdf>

Rob Richie, President and CEO, FairVote provided the following information:

Location

6930 Carroll Ave.
Suite 240
Takoma Park, MD 20912

Contact

hello@fairvote.org
Phone +1 301 270 4616

Facebook / [@fairvotereform](https://www.facebook.com/fairvotereform)
Instagram / [@fairvotereform](https://www.instagram.com/fairvotereform)
Twitter / [@fairvote](https://twitter.com/fairvote)

WWW.FAIRVOTE.ORG

December 23, 2022

State Auditor's Office
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102
Email: moaudit@auditor.mo.gov

Re: 2024-013, 2024-014, 2024-015

Dear Auditor Galloway,

FairVote is a nonpartisan, nonprofit organization and leading advocate and analyst of ranked choice voting since its inception in 1992. I have been closely involved in a number of implementations of ranked choice voting over the past two decades. **Ranked choice voting is the fastest growing election reform in the nation**, used in 2021 and 2022 in more than 40 cities and states, including for all of Alaska's federal and state elections, Maine's primary and federal elections, and New York City primary elections.

Initiative petitions 2024-013, 2024-014, and 2024-015 are similar to petitions 2022-051, 2022-052, 2022-060, and 2022-061. If passed, these petitions would modify Missouri election law so that candidates are chosen via top four primaries and ranked choice, or instant run-off, elections.

The fiscal impact for this change could be as little as \$10,000, as explained in this letter.

First, estimates of the costs of implementation of ranked choice voting often skew high before enactment and implementation, and actual costs will depend on decisions made by election officials. For example, the official fiscal note from Maine election officials before and after its voters passed ranked choice voting in 2016 was more than \$1.5 million. The actual costs in the June 2018 statewide primary elections for governor and other state and congressional primaries were less than \$100,000.

When North Carolina election officials learned in August 2010 they had to run a statewide ranked choice election in November 2010

for a judicial vacancy election with 13 candidates, they did so within their existing budget.

Second, while we strongly support voter education as a general matter, any taxpayer costs associated with voter education are not intrinsic to adoption of ranked choice voting. Some jurisdictions like Maine have adopted and implemented ranked choice voting with virtually no extra money spent on voter education, and voters in those jurisdictions have handled the new system very well, with [82% of voters from a poll released in November 2022 in Maine's 2nd congressional district finding that ranked choice voting is "easy" or "very easy."](#)

Third, the fiscal notes and public comment for petitions 2022-051, 2022-052, 2022-060, and 2022-061 showed that the vast majority of Missouri's local election authorities already have voting equipment that can be used for ranked choice voting / instant run-off elections. Since the fiscal notes for the 2022 petitions were completed, additional election authorities have begun using voting machines that are capable of conducting instant run-off elections:

- **Macon County** now has ES&S DS200/DS450/ExpressVote machines, which are capable of conducting instant run-off / ranked-choice voting elections.
- **Bates County** now has Unisyn OpenElect OVO/OpenElect OVI machines, which are capable of conducting instant run-off / ranked-choice voting elections.
- **Henry County** now has Unisyn OpenElect FVS/OpenElect Freedom Vote Tablet machines, which are capable of conducting instant run-off / ranked-choice voting elections.

Together, at least 115 of Missouri's 116 local election authorities will have machines capable of conducting instant run-off elections before Missourians are able to vote on petitions 2024-013, 2024-014, or 2024-015.

The City of St. Louis has allocated funds for new voting machines that are capable of conducting instant run-off elections, and those machines will be in use with or without passage of petitions 2024-013, 2024-014, and 2024-015. The Board of Alderman [appropriated \\$5,000,000 for new voting equipment in Board Bill Number 206 in May 2022.](#)

Fourth, apart from ongoing upgrades in St. Louis, the only local election authority in Missouri that does not currently have hardware capable of conducting instant run-off elections is **Worth County**. Worth County has just 1,465 registered voters, and County staff tabulate election results there by hand count. Ranked choice voting elections can also be tabulated by hand with paper ballots.

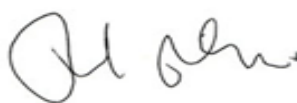
The above-cited updates demonstrate petitions 2024-013, 2024-014, and 2024-015 would require limited costs for voting hardware. Costs for upgrading software with existing machines are variable based on election system vendors, but based on other states, are expected to be quite limited.

We concur with estimates from the Ranked Choice Voting Resource Center that the fiscal impact of 2024-013, 2024-014, and 2024-015 for purchasing ranked choice voting capable equipment will be between \$0 and \$10,000 in one-time costs depending on whether Worth County purchases equipment or conducts hand counts. Additional resources to consider include:

- The nonpartisan, independent organization [Verified Voting has a publicly-available database available](#), which details the voting machines in use across all Missouri counties.
- Additional information from the [Ranked Choice Voting Resource Center about the counties which already have ranked-choice voting-ready machines can be found here](#).

If you have any questions about this letter, or if we can serve as a resource to you for ranked choice voting information and implementation, I can be reached at rr@fairvote.org or 301-270-4616.

Sincerely yours,



Rob Richie
President and CEO

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, State Technical College of Missouri, University of Missouri, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities' costs are estimated at \$2.3 million in one-time costs, and ongoing costs of at least \$80,000 annually, \$241,000 each primary election, \$251,000 each general election, and \$199,000 for all other elections. State and local governmental entities' savings are estimated at an unknown amount.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

December 15, 2022

RECEIVED

DEC 15 2022

STATE AUDITORS OFFICE

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from David Roland regarding a proposed constitutional amendment to Article VIII, version 1 (2024-013)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by David Roland on December 15, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:
We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

NAME (Signature)	DATE Signed	REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village)	ZIP CODE	CONG. DIST.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

RECEIVED
2022 DEC 15 AM 11:20
J. Ashcroft

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article VIII of the Constitution by adopting six new Sections to be known as Article VIII, Sections 24, 25, 26, 27, 28, and 29.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Section A. Article VIII of the Constitution is revised by adopting six new Sections to be known as Article VIII, Sections 24, 25, 26, 27, 28, and 29 to read as follows:

Section 24. 1. Every voting machine used to conduct an election in the State of Missouri shall be tested and certified as secure prior to each election in which the machine will be used. Such testing and certification shall meet all federal standards.

2. Every voting machine used to conduct an election in the State of Missouri shall produce an individual, permanent paper record for each vote cast, which shall be made available for inspection and verification by the voter at the time the vote is cast. Such individual, permanent paper record shall be preserved for use in any election audit.

3. The candidate or their designee shall have the right to be present whenever paper ballots or the permanent paper records produced by electronic voting machines are counted, audited, or placed in storage.

Section 25. 1. Beginning at the August 2026 primary election, and notwithstanding any other provision of law to the contrary, primary elections for all statewide offices, members of the Missouri General Assembly, and members of the United States Congress shall be open primaries where the four candidates for each office receiving the most votes advance to the general election.

2. Primary ballots for all statewide offices, members of the Missouri General Assembly, and members of the United States Congress shall meet the following criteria:

(1) All candidates for an office shall appear on a single ballot.

(2) Primary ballots shall include space for a write-in candidate for such offices.

3. In the primary election for all statewide offices, members of the Missouri General Assembly, and members of the United States Congress, a qualified voter shall be permitted to cast a vote for any candidate for whom that voter is otherwise eligible to vote. A qualified voter shall only vote for one candidate for each office.

4. The four candidates for each office receiving the most votes in the primary election shall advance to the general election for that office. Only those candidates shall appear on the general election ballot.

5. If two or more candidates receive an equal number of votes for the same office, such that there is a tie for fourth place, such candidates or their designees shall have the right to draw lots to determine whose name shall appear on the general election ballot. If a candidate declines to participate, the election authority may draw lots on their behalf.

Section 26. 1. For the purposes of this section, the following terms mean:

(1) "Active Candidate", a candidate who has not been eliminated during an instant runoff tabulation.

(2) "Overvote", a vote in which the qualified voter has indicated a preference for more than one candidate at the same placement order.

(3) "Order" or "Placement Order", the number a qualified voter assigns to a candidate indicating that voter's preference, with 1 being the highest placement order and 4 being the lowest placement order.

2. Beginning at the November 2026 general election, and notwithstanding any other provision of law to the contrary, general elections for all statewide offices, members of the Missouri General Assembly, and members of the United States Congress shall be instant runoff elections in which a qualified voter may indicate their preferred candidate order on the ballot.

3. In a general election conducted under this section, each ballot shall count as one vote for the highest-ordered, Active Candidate on that ballot.

4. If, after the initial tabulation, an Active Candidate receives a majority of the votes cast, that candidate is elected and tabulation is complete.

5. If, after the initial tabulation, an Active Candidate has not received a majority of the highest-ordered votes cast, votes shall be tabulated as follows:

(1) The candidate receiving the fewest number of votes shall be eliminated.

(2) For each ballot cast for an eliminated candidate, the official conducting the tabulation shall determine the highest-ordered, Active Candidate on the ballot. The vote cast on that ballot shall be added to the total number of votes received by that Active Candidate.

(3) Votes shall be tabulated pursuant to subdivisions (1) and (2) of this subsection until an Active Candidate receives the majority of the remaining votes.

6. If a ballot has a placement order that does not contain any candidate, and there are no Active Candidates at a higher placement order, the ballot shall count as a vote for the highest-ordered Active Candidate listed after that placement order, if any.

7. Ballots shall not be included in the tabulation process in subsection 5 only if:

(1) The ballot does not include an Active Candidate at any placement order; or

(2) The ballot contains an Overvote that includes the highest-ordered, Active Candidate at any point during the tabulation process.

8. If two or more candidates are tied with an equal and lowest number of votes, and the tabulation in subsection 5 cannot continue until the candidate with the lowest number of votes is eliminated, the candidate to be eliminated shall be determined by such candidates or their designees drawing lots to determine who shall be eliminated. Should a candidate decline to participate, the election authority shall draw lots on their behalf.
9. Ballots shall be laid out to allow voters to indicate their preferred candidate order. The ballot shall be simple and easy to understand, consistent with best practices.
10. Instructions on the general election ballot shall include the following statement: "You may mark up to four choices in order of preference. Marking a second choice cannot help defeat your first choice. Marking a subsequent choice cannot help defeat your higher-ordered choices."
11. Beginning at least one hundred twenty days before the first election utilizing the instant runoff system, the Secretary of State and local election authorities shall conduct a voter education campaign to familiarize voters with the instant runoff voting system.
12. Notwithstanding any other provision of law to the contrary, the aggregated vote totals from the initial tabulation shall be used, as may be required by any other law, for the purposes of identifying the two major political parties.

Section 27. 1. Beginning August 1, 2026, and notwithstanding any other provision of law to the contrary, a special election shall be called to fill any vacancy in a statewide office, office of member of the Missouri General Assembly, and office of member of the United States Congress.

2. A special election to fill a vacancy in any such office shall be conducted pursuant to the primary and general election processes described in Sections 25 and 26 of this Article.

Section 28. The Secretary of State shall issue rules and regulations necessary to implement Sections 24 to 27 of this Article. No rule or portion of a rule promulgated under the authority of such Sections shall become effective unless it has been promulgated pursuant to the requirements provided by law.

Section 29. If any provision of Sections 24, 25, 26, or 27 or the application thereof to anyone or to any circumstance is held invalid, the remainder of those provisions and the application of such provisions to others or other circumstances shall not be affected thereby.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-013)**

Subject

Initiative petition from David Roland regarding a proposed constitutional amendment to Article VIII. (Received December 15, 2022)

Date

January 4, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, and the **Clay County Board of Election Commissioners**.

David O'Brien, Policy Director, RepresentUS provided information to the State Auditor's office.

Chris Hughes, Director of Policy, Ranked Choice Voting Resource Center provided information to the State Auditor's office.

Eric H. Bronner, Founder/Chief Operating Officer, Veterans for Political Innovation provided information to the State Auditor's office.

Angela Gabel, Attorney, ABG Law Office LLC provided information to the State Auditor's office.

Prof. Samuel S.-H. Wang, Director, Electoral Innovation Lab provided information to the State Auditor's office.

Rob Richie, President and CEO, FairVote provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated there is no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate an impact.

Officials from the **Governor's office** indicated this proposal relating to open elections and ranked preference voting does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated they do not anticipate any fiscal impact with Initiative Petition 24-013.

Officials from the **Department of Transportation** indicated there is no impact on their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to open elections and ranked preference voting does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated this petition would transition Missouri elections to a ranked-choice voting system by January 1, 2026. There are three potential areas of expense which could be incurred in implementing this measure: the required public education campaign, reprogramming of the state election management system, and replacement of voting machines. The state may be required to pay any or all of these costs under Article X, Section 21 of the Missouri Constitution.

This measure would require their office to conduct a voter education campaign to familiarize voters with the instant runoff voting system and ranked-choice ballots. The precise cost of such a campaign would vary depending on strategic decisions and appropriation by the General Assembly. A statewide educational campaign is estimated to reach or exceed \$2,000,000 beginning in fiscal year (FY) 2026. Primarily this would be one-time costs but with the possibility to carry over, especially if the campaign is implemented a significant time before the election at which the system first sees service.

Additionally, the Missouri Centralized Voter Registration program (MCVR) would need to be modified to accept ranked-choice vote totals. The total numbers of each different ballot ranking combination would need to be tabulated in MCVR from the local election authorities (LEAs) before the instant runoff process could take place, especially in the case of statewide races. This would require programming resources to be devoted beyond those covered under the normal maintenance and upkeep contracts. Labor costs to program this modification are estimated by the vendor at \$46,000, to be executed in FY 2025 or FY 2026 in preparation for the time when ranked-choice voting begins in 2026.

Finally, in order to properly handle ranked-choice ballots, all voting equipment statewide must either be updated with code which allows ranked-choice voting or be replaced with ranked-choice-compatible machines. Since reprogramming can reasonably be considered a lesser cost than full replacement, they present the replacement cost as a maximum for this potential expense. The latest voting systems survey, conducted in 2020, found 5,735 pieces of election equipment in service statewide. At an average replacement cost of \$5,000 per machine, this could result in a cost of up to \$28,675,000 in FY 2025 or FY 2026.

Each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate the following additional costs as a result of this petition:

- ~\$12,000 in additional ballots for all parties to vote on all State and Federal (except President) level candidates, per Primary and General even-year elections.
- ~\$25,000 onetime software expense to update both primary and general election ballots as well as produce the paper record for each vote in Section 24.2
- ~\$25,000 each primary election to print each paper record under 24.2
- ~\$25,000 each general election to print each paper record under 24.2
- ~\$5,000 each primary election for poll workers to assist with voter inspection of records under 24.2
- ~\$10,000 each general election for poll workers to assist with voter inspection of records under 24.2
- ~100,000 for onetime software upgrades to fulfill the instant runoff tabulation provisions of Section 26
- ~5,000 in onetime training costs for workers
- ~\$10,000 in onetime voter education costs under Section 26.11

In sum, one-time estimate of \$140,000 and ongoing costs of \$89,000 per every even year.

Officials from **Greene County** indicated in reviewing initiative petition 24-013 it has been determined there will be an increased cost to the County of Greene if voters vote to amend Article VIII, version 1 with the proposed language in this initiative petition.

Section 24:

Testing the election equipment 6 months prior to each election would require no less than 3 tests per year at an estimated cost of \$9,000 per election.

Election Equipment Testing Cost Estimate: \$27,000

Section 25:

The increase in the candidate names on one ballot in addition to the write-in opportunity for each race will increase the testing hours. It will also include the voter education campaign. The expense for this will be accomplished by sending a mailer to voters educating them to the change. There will be a decrease in the ballot faces representing each party. The decrease in ballot faces will cause a decrease in the ballot order total, due to all contests being on one ballot.

Taking the August 2022 primary election cost as the point of comparison shows that there will be a **one-time cost increase by \$58,132.38**, due to the one-time voter education campaign.

Section 26:

An RCV election for a November General would increase by an additional **\$5,138.83** due to the coding and layout cost for a ranked choice election.

Section 27:

There would be no additional cost overall for this section, as these election costs are paid for by the state in the case of a special election.

Section 28:

No known cost at this time, since no rules have been promulgated by the SOS.

Section 29:

No cost

Officials from **St. Louis County** indicated that from the St. Louis County Board of Elections: "We believe this will have a fiscal impact of anywhere from \$0-50,000 because it is unknown if we would need to pay for new software or to use open-sourced software to adapt to ranked-choice voting. In addition, this petition would require us to hold a special election for a vacancy, which would cost about \$1 million per county-wide election."

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis County Board of Elections** indicated they believe this will have a fiscal impact of anywhere from \$0-50,000 because it is unknown if they would need to pay for new software or to use open-sourced software to adapt to ranked-choice voting. In addition, this petition would require them to hold a special election for a vacancy, which would cost about \$1 million per county-wide election.

Officials from the **Board of Election Commissioners City of St. Louis** indicated this petition would require the City Election Board to have the capability to conduct ranked choice voting. While their current voting system does not have this capability, they have been given funding to purchase a new system. Any system they would acquire would have this capability (though one vendor's current system allows three candidates; another vendor's standard software package does not include ranked choice but allows for the separate purchase of a license for an additional fee which they would not acquire unless forced to do so).

This petition also requires local election authorities to conduct a voter education campaign. The scope of this campaign is vague and the petition makes no mention of where funding for this education would come from. If the City Election Board sent a mailing to all City voters notifying them of these substantial changes, which would certainly be justified, the cost of such mailing could be estimated at around \$50,000.

Officials from the **Kansas City Board of Election Commissioners** indicated if this initiative petition becomes law, definitions "for shall be tested and certified as secure" needs more explanation to give a more realistic fiscal impact. An estimation of at least two additional warehouse staff at \$40,000 each, including benefits would be needed. Permanent paper record for each vote cast and available for inspection and verification by the voter at the time the vote is cast is an impossible task and could not be accomplished.

Regarding the Rank Choice voting portion of this petition, new software would need to be purchased at \$25,000 and staff would need to be retrained at \$10,000. The election day ballot would go to two pages due to the increased length of the ballot (200,000 times 50 cents a ballot) \$100,000. Legal Notices would be placed in all K.C. area newspapers \$30,000. Literature explaining rank choice voting would be printed and mailed to all voters at \$100,000. Also election day judges would need to be trained at \$30,000.

Total cost to implement this new law would be roughly \$375,000, but a portion of this petition could not be done as described above.

Officials from the **Platte County Board of Elections** indicated their current voting equipment is capable of instant runoff voting. There should be no direct costs associated with this petition.

Officials from the **Jackson County Election Board** indicated the current version of their tabulation software does not support rank choice voting for four selections.

There is currently no software certified by the Election Assistance Commission (EAC) to support a four-candidate selection. If the software were approved by the EAC an upgrade would need to be purchased by the Jackson County Election Board.

There is currently no funding source available for this purchase.

Fiscal Note Estimate

\$25,000.00 - \$35,500.00

Voter education would be necessary and the cost substantial. Run-Off and Rank Choice Voting are very confusing to voters.

\$140,000.00 - \$200,000.00 estimate for development of education materials and mailings.

Depending on the number of candidates running in the primary election and other issues placed on the ballot the Board could be forced to a three-page ballot causing confusion at the polling locations and doubling the ballot costs.

Normal ballot costs for primary & general elections: \$60,200.00
\$60,200.00

Total Fiscal Note:
\$225,200.00 - \$295,700.00

Officials from the **City of Jefferson City** indicated the proposed initiative petition would not have a direct fiscal impact to their city since Cole County conducts elections for the City. Presumably, Cole County could "bill" them for any costs incurred by the County associated with implementing the referenced election requirements.

Officials from the **City of Kansas City** indicated no fiscal impact on their city.

Officials from the **St. Louis Community College** indicated this initiative does not appear to have any significant specific cost or cost savings to their college. Indirect cost considerations have not been determined. In particular, if the petition delays or inhibits voting for elected officials for the Community College Districts or increases the cost of elections then it could have a potentially negative impact. Such impact cannot be evaluated at this time.

David O'Brien, Policy Director, RepresentUS provided the following information:



December 20, 2022

Nicole Galloway
State Auditor of Missouri
301 West High Street, Room 880
Jefferson City, MO 65102
moaudit@auditor.mo.gov

RE: PETITIONS 2024-013, 2024-014, AND 2024-015

Dear Auditor Galloway,

We are writing on behalf of RepresentUS regarding the ballot petitions officially named 2024-013, 2024-014 and 2024-015, which would bring Final Four open primaries and instant runoff voting ("IRV," sometimes referred to as "ranked choice voting") to Missouri elections. RepresentUs is a national, nonpartisan organization focused on improving America's political system. We work with partners and volunteers across the political spectrum to pass pro-democracy reforms at the state and local level. RepresentUS has helped grassroots campaigns to bring reforms like Final Four and IRV across the country.

In our experience, the costs associated with implementing IRV are often far below what many initially expect, and we expect this trend to hold in Missouri. The vast majority of counties will not need to replace their existing voting machines. According to a comprehensive analysis by the Ranked Choice Voting Resource Center, all but two of Missouri's counties currently have voting machines capable of conducting elections with IRV.¹ Furthermore, it is our understanding that one of those two counties, St. Louis City, is already planning on upgrading its voting systems to models with IRV-capable hardware. This means that the costs of technical implementation for nearly every county in the state would be limited to software upgrades.

For comparison, when Alaska's Division of Elections's released a fiscal note for a ballot measure to implement the same policy as contained in 2024-013, 2024-014 and 2024-015, it determined that 137 machines would have to be replaced at cost of \$3,900 each, for a total cost of \$534,300.² In the majority of counties that will not need to replace voting machines, however, costs will be more similar to those in Maine, which did not need to upgrade its voting systems.

¹ Ranked Choice Voting Resource Center, Missouri Ranked Choice Voting State Readiness Assessment 2022 Edition, p. 14 (<https://bit.ly/RCV-Missouri-2022>).

² Alaska Division of Elections, 19AKBE - Statement of Costs, <https://www.elections.alaska.gov/petitions/19AKBE/19AKBEStatementOfCosts.pdf>. The Division of Elections also estimates the total cost of implementation to be \$803,593, including costs for things like voter education (\$150,000) and language assistance (\$57,416).



When Maine used IRV for the first time in 2018, its Secretary of State reported that the entire cost of statewide implementation that year was \$441,804.³

Considering the experiences of other jurisdictions that have adopted IRV, we expect the cost of implementation in Missouri to be fairly modest. Thank you for your time and attention to this matter.

Sincerely,

David O'Brien
Policy Director

³ Maine Office of the Secretary of State, Maine Costs for Ranked-choice Voting in 2018, <https://www.maine.gov/sos/cec/elec/upcoming/pdf/rcv.costs.2018.pdf>.

Chris Hughes, Director of Policy, Ranked Choice Voting Resource Center provided the following information:



December 20, 2022

Nicole Galloway
State Auditor of Missouri
301 West High Street, Room 880
Jefferson City, MO 65102
moaudit@auditor.mo.gov

RE: PETITIONS 2024-013, 2024-014, and 2024-015

Dear Auditor Galloway,

We are writing on behalf of the Ranked Choice Voting Resource Center regarding the estimated fiscal impact of initiative petitions 2022-049 and 2022-050, which would bring Top 4 open primaries and instant runoff voting (“IRV,” sometimes referred to as “ranked-choice voting” or “RCV”) to Missouri elections. The Ranked Choice Voting Resource Center is a 501(c)(3) nonprofit organization that provides information, research, and tools to teach the public about ranked choice voting. The staff of the Resource Center have decades of election administration experience and experience overseeing ranked choice voting elections at all levels of government. Our nationally recognized center is regarded as the premier ranked choice voting resource for voters, election administrators, policymakers, and candidates.

We recently conducted a statewide analysis of Missouri’s voting equipment in our [Missouri RCV Administrative Assessment](https://bit.ly/RCV-Missouri-2022) (<https://bit.ly/RCV-Missouri-2022>). In our analysis, we found that 114 of 116 local election authorities (113 counties and one city) in Missouri have RCV capable equipment: equipment that can now, or after a software update, be used to hold ranked choice voting elections. In these counties, hardware purchases are not necessary to add RCV capability. Software upgrades, however, may be necessary and will need to have their costs negotiated directly with the vendors providing equipment to each local election authority. We do not know how many of these election authorities will need to update their software nor how much it may cost any one authority to make upgrades, so we do not estimate those costs here.

One local election authority (St. Louis City) has legacy voting equipment – equipment at the end of its usable lifespan – and one local election authority (Worth County) hand counts its elections. St. Louis City should replace its legacy voting equipment soon as it is at the end of its usable lifespan. All modern voting equipment available today includes ranked choice voting capability. By replacing that legacy equipment, St. Louis City will also gain ranked choice voting capability.



Worth County can conduct ranked choice voting elections by hand though we suggest using voting equipment to speed up the counting process.

The City of St. Louis has allocated \$5,000,000 for new voting machines that are capable of conducting instant run-off elections, and those machines will be in use with or without passage of petitions 2024-013, 2024-014, and 2024-015.

<https://www.stlouis-mo.gov/government/city-laws/board-bills/boardbill.cfm?bbDetail=true&BBIId=14003>. Given that these machines should be in place before any implementation of petitions 2024-013, 2024-014, and 2024-015, we do not include the City of St. Louis in our cost estimate.

A fiscal note for Petition 2022-19 estimated that purchasing a single voting machine would cost \$5,000. Based on publicly available information about voting machines used in the state, we estimate that Worth County could add two scanning machines to tabulate RCV elections quickly. At a rate of \$5,000 per machine, that will cost approximately \$10,000. Worth County could also spend no money and continue to hand count their elections.

Based on this analysis, the fiscal impact of 2024-013, 2024-014, and 2024-015 for purchasing ranked choice voting capable equipment will be between \$0 and \$10,000 in one-time costs.

Thank you for your consideration of this submission. If you have any questions, please contact the Ranked Choice Voting Resource Center at info@rcvresources.org or 1-833-VOTE-RCV (1-833-868-3728).

Sincerely,

Chris Hughes
Director of Policy

Eric H. Bronner, Founder/Chief Operating Officer, Veterans for Political Innovation
provided the following information:



December 21, 2022

The Honorable Nicole Galloway
State Auditor of Missouri
301 West High Street, Room 880
Jefferson City, MO 65102
moaudit@auditor.mo.gov

RE: PETITIONS 2024-013, 2024-014 AND 2024-015

Dear Auditor Galloway,

I am writing to you today on behalf of Veterans for Political Innovation regarding the estimated fiscal impact of initiative petitions 24-013, 24-014 and 24-015. I am also writing as a licensed Missouri attorney and a concerned Missouri citizen.

Veterans for Political Innovation (VPI) is a national, nonpartisan nonprofit community, based out of Saint Louis, Missouri. VPI is mobilizing veterans and supporters to make politics less toxic through innovations that bring more competition to all our elections. Over the past year, VPI has educated, trained and mobilized hundreds of veterans, in over 35 states, as trusted messengers for nonpartisan reforms such as “Final-4 Voting”—the innovative reform package outlined in these petitions. Part of our mission is to fully enfranchise and empower the approximately 50% of military veterans who do not affiliate or identify with either major political party. Independent voters want more choices in primary elections. With more electoral competition in every district, we will reward common sense problem solvers, once again, and make our campaigns and our politics less toxic.

Initiative petitions 24-013, 24-014 and 24-015 are functionally identical to petitions 2022-051, 2022-052, 2022-060 and 2022-061. If passed, these petitions would modify Missouri election law, so that candidates are chosen via “Final-4 Voting”; that is, top-four, cross-partisan (single ballot) primary elections and instant run-off voting general elections.

Since the fiscal notes for petitions 2022-051, 2022-052, 2022-060, and 2022-061 were completed, even more local election authorities in Missouri have begun using voting machines that can conduct instant run-off elections, including Macon, Bates and Henry Counties.ⁱ

Indeed, a comprehensive analysis conducted by the experts at the nonpartisan Ranked Choice Voting Resource Center shows that only two out of 116 local election authorities in Missouri—St. Louis City and Worth County—have voting machines that are incompatible with instant run-off voting (<https://bit.ly/RCV-Missouri-2022>).



The **City of St. Louis** has allocated funds for new voting machines that can conduct instant run-off elections, and those machines will be in use with or without passage of petitions 2024-013, 2024-014, and 2024-015. The Board of Alderman appropriated \$5,000,000 for new voting equipment in Board Bill Number 206 in May 2022ⁱⁱ.

The only local election authority in Missouri that does not currently have hardware capable of conducting instant run-off elections is **Worth County**. Worth County has just 1,465 registered voters, and County staff tabulate election results there by hand count. Instant runoff voting elections can also be tabulated by hand with paper ballots.

Together, at least 115 of Missouri's 116 local election authorities will have machines capable of conducting instant run-off voting elections *before* Missourians even vote on petitions 2024-013, 2024-014, or 2024-015. The exact cost of Worth County's voting machine upgrades is unknown, but very likely less than \$15,000ⁱⁱⁱ. Because most local election authorities have already budgeted for regular voting machine software upgrades, any costs associated with software should not be included in this fiscal note.

In conclusion, petitions 2024-013, 2024-014, and 2024-015 would most likely not incur any one-time costs for voting hardware. The costs for upgrading software with existing machines are unknown, but based on other states, they are expected to be quite limited. Any potential one-time costs would likely be offset by future savings due to the cross-partisan primary election only requiring one ballot instead of the current partisan primary system which requires two.

Thank you for your public service, and for your time and consideration of this submission. If you have any questions, please do not hesitate to contact me at: 314.222.0477 or eric@V-pi.org.

Sincerely,

/s/ *Eric H. Bronner*

Eric H. Bronner
Founder | Chief Operating Officer
Veterans for Political Innovation

ⁱ The nonpartisan, independent organization Verified Voting has a public database, available at the following link, which details the voting machines in use across all Missouri counties: <https://tinyurl.com/Verified-Voting-MO-2022>

ⁱⁱ <https://www.stlouis-mo.gov/government/city-laws/board-bills/boardbill.cfm?bbDetail=true&BBId=14003>

ⁱⁱⁱ Based on a fiscal note for Petition 2022-019 estimating that purchasing a single voting machine would cost \$5,000. The RCV Resource Center estimates that "Worth County could add two scanning machines to tabulate RCV elections quickly."

Angela Gabel, Attorney, ABG Law Office LLC provided the following information:



ANGELA B GABEL
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St. Louis, MO 63132

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agabel@abglawoffice.com

December 21, 2022

State Auditor's Office
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102
Email: moaudit@auditor.mo.gov

Re: Petitions 2024-013, 2024-014, 2024-015

Dear Auditor Galloway:

This letter is in reference to petitions 2024-013, 2024-014, 2024-015 to adopt ranked choice voting (RCV) in Missouri. If passed, these petitions would allow implementation of a top four primary and instant runoff or ranked choice voting elections for the August and November 2026 elections.

I am a Missouri attorney whose practice has focused on election law since 2014. During that time, I represented the Ferguson-Florissant School District in a lawsuit that resulted in adopting cumulative voting. More recently, I represented the City of Eastpointe, Michigan, when they adopted ranked choice voting pursuant to a consent decree with the Department of Justice. Eastpointe has used ranked choice voting in city council races since 2019.

My law firm provides clients with advice on transitioning and implementing new electoral systems. This advice includes statutory and regulatory review and analysis, as well as a review of the technological and practical challenges involved in any transition.

As you know, Missouri has 116 local election authorities ("LEAs"). Of those, 114 LEAs currently maintain RCV ready equipment. That means that each of those counties and/or independent cities already maintain the hardware necessary to run an RCV election.

The City of St. Louis Board of Election Commissioners is one of the state's largest LEAs. Their current equipment is considered legacy equipment. It is outdated and cannot run an RCV election. However, the City's Board of Alderman provided a \$5 million allotment in FY2022 to purchase a new voting system. This much-needed update will likely occur before voters decide on whether to adopt RCV in Missouri. While there are multiple vendors the City may choose to purchase from, any new system will have the capability to run an RCV election. Thus, the City of St. Louis' Board of Election Commissioners will be able to implement RCV without any additional cost to taxpayers.

After the City of St. Louis purchases new equipment, Worth County, Missouri will be the only LEA without RCV-ready equipment. While Worth County had previously reported using legacy equipment too old to run an RCV election, it now reports using hand-counts for paper ballots. (See, <https://verifiedvoting.org/verifier/#mode/navigate/map/ppEquip/mapType/normal/year/2022/state/29>)

Worth County has a population of just 1,465 registered voters. That small number of voters would allow for hand-counts, even in RCV elections. For that reason, Worth County does not need to purchase additional hardware and can implement RCV without any additional cost to taxpayers.

Many, but not all, of the state's LEAs will need to upgrade their software. Some voting system vendors include these costs with their annual fees. Others do not. The costs for software upgrades will vary based on the vendor, the date of the hardware, and the LEA's individual, negotiated contract. As such, any additional cost to taxpayers for software upgrades are undetermined.

Aside from hardware and software, many LEAs will be able to save taxpayer dollars in running a non-partisan primary. As it stands, LEAs must print separate ballots for the Democrat, Republican, Libertarian, and Constitution Parties. Separate ballots will no longer be necessary under petitions 2024-013, 2024-014, 2024-015. Thus, LEAs will save an undetermined amount on printing and formatting costs.

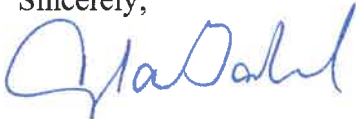
Finally, petitions 2024-013, 2024-014, 2024-015 require the state to conduct a voter education campaign. The cost for voter education campaigns can vary dramatically. Typically, these campaigns include a website, promotional material, candidate education, and/or town-hall meetings. The state of Alaska recently implemented ranked choice voting in 2022. The fiscal note estimated the cost for the education campaign at \$150,000.

<https://www.elections.alaska.gov/petitions/19AKBE/19AKBEStatementOfCosts.pdf>

Based on this analysis, taxpayers should not incur additional costs to purchase hardware to run ranked choice voting in Missouri. The cost for software and a voter education campaign is estimated at \$150,000 - \$250,000.

Thank you for your consideration.

Sincerely,



Angela Gabel
Attorney, ABG Law Office LLC

Prof. Samuel S.-H. Wang, Director, Electoral Innovation Lab provided the following information:



December 21, 2022

Nicole Galloway
State Auditor of Missouri
301 West High Street, Room 880
Jefferson City, MO 65102
moaudit@auditor.mo.gov

RE: Petitions 2024-013, 2024-014, and 2024-015

Dear Auditor Galloway,

I write today regarding the estimated fiscal impact of initiative petitions 2024-013, 2024-014, and 2024-015, three bills that would implement a new final-four primary and ranked-choice voting general election scheme to elections conducted in Missouri.

I am Dr. Sam Wang, professor at Princeton University and director of the Electoral Innovation Lab. The Electoral Innovation Lab takes an engineering-like approach to democracy repair. We use theory and analysis to anticipate how problems in representation, engagement, and depolarization can be solved before they become widespread. This comprehensive approach is used to develop policy reforms, inform legal scholarship and academic research. Ultimately, we seek to test proposed policies: legislative actions, election rules, redistricting optimization, and community strategies. In recent years we have applied our investigational methods to voting reforms, including ranked-choice voting in Maine and Alaska.

Many other jurisdictions have experience implementing ranked-choice voting systems and have done thorough fiscal impact analyses thereof, and can provide some evidence of costs should Missouri implement this voting system.

Missouri implementation costs are potentially under \$200,000

A comprehensive analysis conducted by the experts at the Ranked Choice Voting Resource Center (<https://bit.ly/RCV-Missouri-2022>) shows that only two out of 116 local election authorities in Missouri, St. Louis City and Worth County, have voting machines that are incompatible with ranked-choice voting methods:

As a worst-case scenario, the fiscal impact of 2024-013, 2024-014, and 2024-015 would arise from replacing voting machines in the two jurisdictions currently lacking machines. In the larger

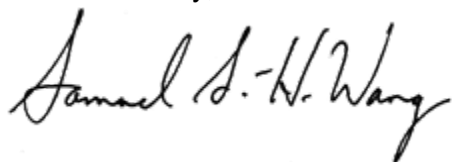
jurisdiction, St. Louis City, machine upgrades are already planned even without any new laws, and will likely be done by the time 2024-013, 2024-014, and 2024-015 would take effect, after the 2024 cycle. The remaining need is in Worth County, whose population is less than 2,000. In Worth County, tabulation could be done by two machines at a cost of approximately \$10,000. Software upgrades in other counties are part of their normal maintenance costs. Additional costs may still be modest: at a cost of \$1,000 per county, the necessary software above and beyond already-planned upgrades would still be below \$200,000. Countervailing to these costs is the fact that there will be an unknown amount of savings in future years because the primary election will require only one ballot instead of one for each partisan primary, as is now the case.

Implementation costs in other states: \$400,000 to \$600,000

Worst-case costs can be calculated using the experience of other states. Maine implemented ranked-choice voting in 2018. The state analyzed the costs of implementing the new system during the first year and found that the total fiscal impact to the state was \$441,804, the largest portion of which was actually the requirement to print a separate ballot to run a referendum measure on an unrelated matter.¹ Voters in Alaska recently approved similar voting reforms to those under consideration in Missouri. The state's official estimate of costs for needed ballot tabulation equipment was only \$534,300.²

Thank you for your consideration of this submission. If you have any questions, please do not hesitate to call (609) 258-0388 or email sswang@princeton.edu.

Yours sincerely,



Prof. Samuel S.-H. Wang
Director, Electoral Innovation Lab

Professor, Princeton University
Neuroscience Institute, Washington Road
Princeton, New Jersey

¹ See <https://www.maine.gov/sos/cec/elec/upcoming/pdf/rcv.costs.2018.pdf>

² See <https://www.elections.alaska.gov/petitions/19AKBE/19AKBEStatementOfCosts.pdf>

Rob Richie, President and CEO, FairVote provided the following information:

Location

6930 Carroll Ave.
Suite 240
Takoma Park, MD 20912

Contact

hello@fairvote.org
Phone +1 301 270 4616

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Twitter / [@fairvote](https://twitter.com/fairvote)

WWW.FAIRVOTE.ORG

December 23, 2022

State Auditor's Office
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102
Email: moaudit@auditor.mo.gov

Re: 2024-013, 2024-014, 2024-015

Dear Auditor Galloway,

FairVote is a nonpartisan, nonprofit organization and leading advocate and analyst of ranked choice voting since its inception in 1992. I have been closely involved in a number of implementations of ranked choice voting over the past two decades. **Ranked choice voting is the fastest growing election reform in the nation**, used in 2021 and 2022 in more than 40 cities and states, including for all of Alaska's federal and state elections, Maine's primary and federal elections, and New York City primary elections.

Initiative petitions 2024-013, 2024-014, and 2024-015 are similar to petitions 2022-051, 2022-052, 2022-060, and 2022-061. If passed, these petitions would modify Missouri election law so that candidates are chosen via top four primaries and ranked choice, or instant run-off, elections.

The fiscal impact for this change could be as little as \$10,000, as explained in this letter.

First, estimates of the costs of implementation of ranked choice voting often skew high before enactment and implementation, and actual costs will depend on decisions made by election officials. For example, the official fiscal note from Maine election officials before and after its voters passed ranked choice voting in 2016 was more than \$1.5 million. The actual costs in the June 2018 statewide primary elections for governor and other state and congressional primaries were less than \$100,000.

When North Carolina election officials learned in August 2010 they had to run a statewide ranked choice election in November 2010

for a judicial vacancy election with 13 candidates, they did so within their existing budget.

Second, while we strongly support voter education as a general matter, any taxpayer costs associated with voter education are not intrinsic to adoption of ranked choice voting. Some jurisdictions like Maine have adopted and implemented ranked choice voting with virtually no extra money spent on voter education, and voters in those jurisdictions have handled the new system very well, with [82% of voters from a poll released in November 2022 in Maine's 2nd congressional district finding that ranked choice voting is "easy" or "very easy."](#)

Third, the fiscal notes and public comment for petitions 2022-051, 2022-052, 2022-060, and 2022-061 showed that the vast majority of Missouri's local election authorities already have voting equipment that can be used for ranked choice voting / instant run-off elections. Since the fiscal notes for the 2022 petitions were completed, additional election authorities have begun using voting machines that are capable of conducting instant run-off elections:

- **Macon County** now has ES&S DS200/DS450/ExpressVote machines, which are capable of conducting instant run-off / ranked-choice voting elections.
- **Bates County** now has Unisyn OpenElect OVO/OpenElect OVI machines, which are capable of conducting instant run-off / ranked-choice voting elections.
- **Henry County** now has Unisyn OpenElect FVS/OpenElect Freedom Vote Tablet machines, which are capable of conducting instant run-off / ranked-choice voting elections.

Together, at least 115 of Missouri's 116 local election authorities will have machines capable of conducting instant run-off elections before Missourians are able to vote on petitions 2024-013, 2024-014, or 2024-015.

The City of St. Louis has allocated funds for new voting machines that are capable of conducting instant run-off elections, and those machines will be in use with or without passage of petitions 2024-013, 2024-014, and 2024-015. The Board of Alderman [appropriated \\$5,000,000 for new voting equipment in Board Bill Number 206 in May 2022.](#)

Fourth, apart from ongoing upgrades in St. Louis, the only local election authority in Missouri that does not currently have hardware capable of conducting instant run-off elections is **Worth County**. Worth County has just 1,465 registered voters, and County staff tabulate election results there by hand count. Ranked choice voting elections can also be tabulated by hand with paper ballots.

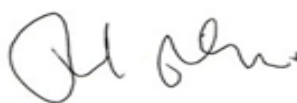
The above-cited updates demonstrate petitions 2024-013, 2024-014, and 2024-015 would require limited costs for voting hardware. Costs for upgrading software with existing machines are variable based on election system vendors, but based on other states, are expected to be quite limited.

We concur with estimates from the Ranked Choice Voting Resource Center that the fiscal impact of 2024-013, 2024-014, and 2024-015 for purchasing ranked choice voting capable equipment will be between \$0 and \$10,000 in one-time costs depending on whether Worth County purchases equipment or conducts hand counts. Additional resources to consider include:

- The nonpartisan, independent organization [Verified Voting has a publicly-available database available](#), which details the voting machines in use across all Missouri counties.
- Additional information from the [Ranked Choice Voting Resource Center about the counties which already have ranked-choice voting-ready machines can be found here](#).

If you have any questions about this letter, or if we can serve as a resource to you for ranked choice voting information and implementation, I can be reached at rr@fairvote.org or 301-270-4616.

Sincerely yours,



Rob Richie
President and CEO

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities' costs are estimated at \$2.3 million in one-time costs, and ongoing costs of at least \$80,000 annually, \$241,000 each primary election, \$251,000 each general election, and \$199,000 for all other elections. State and local governmental entities' savings are estimated at an unknown amount.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

RECEIVED

DEC 12 2022

STATE AUDITORS OFFICE

ELECTIONS DIVISION
(573) 751-2301

December 12, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Winston Apple regarding a proposed constitutional amendment to Article VIII (2024-012)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Winston Apple on December 12, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION


To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

RECEIVED

2022 DEC 12 AM 9:20



CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do _____ do not _____ (check one) expect to be paid for circulating this petition. If paid, list the payer
_____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20__

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article VIII, Section 3 of the Constitution is amended to read as follows:

Section 3. (a) All elections by the people shall be by ballot or by any mechanical method prescribed by law.

(b) Effective for elections conducted after January 1, 2025, there shall be no primary elections for the offices of Governor, Lieutenant Governor, Secretary of State, Attorney General, State Treasurer, State Auditor, United States Senator, U. S. Representative, State Senator, State Representative, and Circuit Judge. All candidates for these offices shall be listed on the ballot, without party designation, at the general election.

(c) The ballot shall be simple and easy to understand and shall allow a voter to rank a minimum of five candidates for each office in order of preference. A voter may include duly registered write-in candidates among their ranked choices for each office.

(d) The Secretary of State shall tabulate the votes for each office according to the following method: Tabulation proceeds in sequential rounds. In the first round, only first-choice votes are tabulated. If a candidate receives a majority of the first-choice votes (fifty percent of the total votes cast, plus one vote) that candidate is elected. If no candidate receives a majority of the first-choice votes cast, the candidate with the lowest number of first-choice votes is eliminated and the candidates listed as the second choice on ballots cast for the candidate being eliminated are distributed among the "continuing candidates". In each subsequent round, the candidate who has the fewest "cumulative votes" is eliminated. In each subsequent round, the highest remaining choice for a continuing candidate on each ballot for the eliminated candidate shall be redistributed, in ranked order, as needed, among the continuing candidates. Ballots that do not rank any continuing candidate, that contain votes for more than one candidate at the same ranking, or in which a voter has left a ranking blank once that ranking would have been utilized, will be "exhausted ballots" and will not be counted in that round or subsequent rounds. This process is repeated in as many rounds as needed until one candidate wins election by receiving at least fifty percent plus one of the total cumulative votes.

(e) Election officials shall determine a random selection algorithm, prior to tabulation, to resolve ties between candidates. If a tie occurs at any point in the tabulation procedure and tabulation cannot proceed until the tie is resolved, then the random selection algorithm shall resolve the tie.

(f) All election officers shall be sworn or affirmed not to disclose how any voter voted; provided, that in cases of contested elections, grand jury investigations and in the trial of all civil or criminal cases in which the violation of any law relating to elections, including nominating elections, is under investigation or at issue, such officers may be required to testify and the ballots cast may be opened, examined, counted, and received as evidence.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-012)**

Subject

Initiative petition from Winston Apple regarding a proposed constitutional amendment to Article VIII. (Received December 12, 2022)

Date

December 30, 2022

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, and the **Clay County Board of Election Commissioners**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated there is no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated they anticipate no fiscal impact as a result of this legislation.

Officials from the **Department of Elementary and Secondary Education** indicated no fiscal impact on their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for the initiative petition 24-012 proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no impact to their department.

Officials from the **Department of Social Services** indicated they anticipate no fiscal impact.

Officials from the **Governor's office** indicated this proposal relating to ranked voting does not fiscally impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated they anticipate no fiscal impact pertaining to Initiative Petition 24-012.

Officials from the **Department of Transportation** indicated the proposed initiative petition does not have an impact on their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to ranked voting does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated this petition would institute a policy of nonpartisan ranked-choice voting to elect all state-level officials in lieu of a partisan primary and general election.

This would require all voting machines statewide to either be coded to accept ranked-choice voting (which may require reprogramming) or to be replaced with new machines which do allow ranked-choice voting. As of the 2020 voting systems survey conducted by their office, local election authorities reported that they possessed 5728 machines. The estimated cost for each new voting machine is \$5,000. The total cost to the state will vary depending on the number of machines which are ready to accept ranked-choice votes or can be reprogrammed to do so. However, using total replacement of all machines as a maximum cost, ranked-choice voting may result in a total impact to general revenue ranging from \$0 up to \$28,640,000. They may be required to fund this mandated cost under Article X, Section 21 of the Missouri Constitution.

Since these elections would not include a primary, it may be that the state does not have anything on the ballot for an August primary election (the exception would be if any special elections were ordered for candidates or ballot measures). In this case the state would not be responsible for paying proportional costs of such an election, making for a possible cost savings of up to \$7 million each odd-numbered fiscal year starting in FY 2027, based on the actual cost of holding the 2020 Presidential Preference Primary.

However, this may be partially offset by additional costs for ballot printing and machine programming at the general elections. With all candidates appearing on the general election ballot, it is possible that large slates of candidates in enough races would require the use of oversize ballots or possibly even a multiple-page ballot (which may require further machine programming to handle such ballots). The cost of such measures is unknown at this time.

Each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. The SOS estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition 24-012 will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no impact to their office.

Officials from **Clay County** indicated they estimate the following additional costs as a result of this petition:

- ~\$25,000 one-time outlay to update the voter machine counting software and ballot layout fields.
- ~\$12,000 in additional ballots for all parties to vote on all State and Federal (except President) level candidates, per General even-year elections.

In sum, one-time estimate of \$25,000 and ongoing costs of \$12,000 per every even year.

Officials from **St. Louis County** indicated this measure would require a \$50,000 software update for the St. Louis County Board of Elections.

Officials from **Greene County** indicated that in reviewing initiative petition 24-012 it has been determined there will be an increased cost to their county if voters vote to amend Article VIII with the proposed language in this initiative petition.

There will continue to be a primary election at the county level for county offices. The state now pays its share of proportional cost for statewide primary and general elections. The additional primary cost at the county level will not include additional cost for a ranked-choice primary. However, since there will be no statewide primary, if this initiative petition were to become law, the county will bear the full cost of the primary election.

Primary: \$431,634.47 - \$215,817.23 = -\$215,817.24

General: \$450,665.80 - \$455,804.63 = - \$5,138.83

Total Cost Increase for both Elections: \$220,956.07

The county will have an estimated increased cost of \$220,956.07 for both the primary and general election.

The cost difference to administer the general election is in the coding cost to tabulate a ranked-choice election. In addition, the November 2020 General Election costs were used, due to the final cost of November 2022 not being finalized at this time.

Officials from the **City of Jefferson City** indicated they see no immediate fiscal impact on the local level as a result of this initiative petition due to the fact that local elections are not covered by the legislation. There might be indirect costs if a local jurisdiction is responsible for prosecuting an old offender or if there is a need for an offender to serve jail time.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated this initiative will not have a significant specific cost or cost savings to their College. Indirect cost considerations have not been determined.

Officials from the **St. Louis County Board of Elections** indicated they believe this will have a fiscal impact of anywhere from \$0 - 50,000 because it is unknown if they would need to pay for new software or to use open-sourced software to adapt to ranked-choice voting.

Officials from the **Kansas City Board of Election Commissioners** indicated if this initiative petition becomes law, new software would need to be purchased at \$25,000 and staff would need to be retrained at \$10,000 (one-time costs). The election day ballot would go to two pages due to the increased length of the ballot (200,000 times 50 cents a ballot) \$100,000 (costs for every general election). Legal Notices would be placed in all Kansas City area newspapers \$30,000 (one-time costs). Literature explaining rank choice voting would be printed and mailed to all voters at \$100,000 (one-time costs). Also election day judges would need to be trained at \$30,000 (one-time costs). Total cost to implement this new law would be roughly \$195,000 for one-time costs and \$100,000 ongoing costs for every general election.

Officials from the **Board of Election Commissioners City of St. Louis** indicated this petition would require the City Election Board to have the capability to conduct ranked choice voting. While their current voting system does not have this capability, they have been given funding to purchase a new system. Any system they would acquire would have this capability (though one vendor's current system allows three candidates; another vendor's standard software package does not include ranked choice but allows for the separate purchase of a license for an additional fee which they would not acquire unless forced to do so).

Officials from the **Platte County Board of Elections** indicated this should have no hard financial costs as their existing equipment can handle ranked choice voting. There would be some unknown costs for initial setup and training.

Officials from the **Jackson County Election Board** indicated the current version of their tabulation software does not support rank choice voting for five selections.

There is currently no software certified by the Election Assistance Commission (EAC) to support a five-candidate selection. If the software were approved by the EAC an upgrade would need to be purchased by the their Election Board.

There is currently no funding source available for this purchase.

Fiscal Note Estimate
\$25,000.00 - \$35,500.00

The Secretary of State does not tabulate votes; election authorities tabulate all votes within their jurisdiction.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate one-time costs of at least \$245,000, ongoing costs of at least \$332,000 every general election year, and possible savings of \$7 million every general election year.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

December 5, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

DEC 05 2022

STATE AUDITORS OFFICE

RE: Petition approval request from Winston Apple regarding a proposed statutory amendment to Chapters 286 & 143 (2024-011)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Winston Apple on December 5, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do ____ do not ____ (check one) expect to be paid for circulating this petition. If paid, list the payer
_____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20__

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it enacted by the people of the state of Missouri:

Two new sections of the Missouri Revised Statutes are hereby enacted, to be known as sections 286.131 and 143.012, to read as follows:

286.131. 1. A program to be known as “The Renewable Energy Project” is hereby created to be administered by the Missouri Department of Labor and Industrial Relations.

2. Funding for The Renewable Energy Project will be provided through revenues from a tax on long-term capital gains and qualified dividends, as provided for in Section 143.012. Additional funds may be solicited and accepted through grants from the federal government or other sources and from voluntary contributions.

3. The Missouri Department of Labor and Industrial Relations shall, within one (1) calendar year of the effective date of this section, promulgate rules necessary for the administration of this section, including methods for the expenditure of the funds collected pursuant to section 143.012 and other sources in a manner that increases the percentage of electricity generated by wind and solar sources within the state of Missouri as rapidly as possible.

4. Workers hired through this program may form or join a union to negotiate pay and benefits and may be employed directly by the state of Missouri or by privately-owned businesses through contracts with the state of Missouri.

5. The locations of any facilities leased or constructed as part of, or in support of, The Renewable Energy Project will be selected with an emphasis on creating jobs in economically depressed areas of the state of Missouri.

6. Until such time as at least 90 percent of the electricity generated in Missouri is generated from clean, renewable sources, funds collected pursuant to this section and section 143.012 shall be used solely for the purposes of employing workers, purchasing or leasing the resources and capital equipment, and leasing, constructing, and/or renovating the facilities necessary, to manufacture, sell, and/or install solar panels, wind turbines, and/or their component parts.

7. Once the state of Missouri is producing 90% or more of its electricity from clean, renewable sources, the funds generated by the tax on long-term capital gains and qualified dividends and from other sources may be used, as directed by appropriate legislation, for the construction and maintenance of state-owned highways and bridges or other infrastructure projects.

8. All subsections and all clauses of this Section, and the phrases, and the words within them, are severable. If any of the provisions within them are found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted or invalid, the remainder of those provisions shall remain valid and the application of such provisions shall not be affected thereby.

143.012. 1. Beginning with the 2025 calendar year, a tax on capital gains and qualified dividends will be imposed, with the funds collected dedicated to providing funding for The Renewable Energy Project. The amount of the tax will be the difference between the dollar amount of taxes paid to the federal government by each taxpayer on long-term capital gains and qualified dividends earned, and the dollar amount of the taxes that would have been paid had the capital gains or qualified dividends been taxed as marginal ordinary income, based on each taxpayer’s federal tax bracket.

2. Any taxpayer whose total family income is less than 110 percent of the dollar amount of the poverty threshold, based on the poverty guidelines published by the Department of Health and Human Services, is exempt from this tax.

3. All subsections and all clauses of this Section, and the phrases, and the words within them, are severable. If any of the provisions within them are found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted or invalid, the remainder of those provisions shall remain valid and the application of such provisions shall not be affected thereby.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-011)**

Subject

Initiative petition from Winston Apple regarding a proposed amendment to Chapters 286 and 143 of the Revised Statutes of Missouri. (Received December 5, 2022)

Date

December 27, 2022

Description

This proposal would amend Chapters 286 and 143 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, and the **Missouri Joint Municipal Electric Utility Commission**.

Assumptions

Officials from the **Department of Agriculture** indicated no fiscal impact on their department.

Officials from the **Department of Economic Development** indicated they anticipate no fiscal impact as a result of this legislation.

Officials from the **Department of Elementary and Secondary Education** indicated they have determined there is no fiscal impact upon their department.

Officials the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated that this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated there is no fiscal impact to their department.

Officials from the **Department of Labor and Industrial Relations** indicated this petition would create the "The Renewable Energy Project" program which would be administered by their department. The program would increase the percentage of electricity generated by wind and solar sources within the state of Missouri.

Their department estimates it would need additional full-time employees (FTE) and ongoing costs to set up and administer the program. Per discussion with the Office of Administration Information Technology Services Division (OA-ITSD), they do not believe a new computer system would be necessary for administering, monitoring, and reporting on the program created by this petition, however if one were necessary OA-ITSD estimates the cost at \$32,422 for initial creation with ongoing support costs of \$6,647 in FY25.

REVENUE

They defer to the Department of Revenue regarding the estimated revenue collections if these provisions are implemented.

A tax on long-term capital gains and qualified dividends additional funds may be solicited and accepted through grants from the federal government or other sources and from voluntary contributions. Their department defers to the Department of Revenue regarding the estimated amount of revenue to be collected from this capital gains tax.

COST

They estimate the total known cost to develop, administer, and maintain the "The Renewable Energy Project" program to be over \$548,000 per year with the initial start-up year costing \$573,000 (of which, \$52,000 is initial/onetime costs). In estimating, the total costs of the program, they made the following assumptions and estimates.

The program would require 3 full-time specialist and 1 supervisor to facilitate the duties of employing workers, purchasing or leasing resources and capital equipment, and oversight of leasing, constructing, and/or installation of solar panels, wind turbines, and/or their component parts, 1 Attorney for review of contracts and leasing or other legal duties as necessary for the program, and 1 part-time paralegal to assist the attorney. Total salaries for staffing are estimated at \$255,500 for fiscal year (FY) 2025 with benefits estimated at \$164,642. For FY 2027, these salaries are estimated a \$260,363, with benefits estimated at \$180,803.

Telecom, computer, and office equipment and telecomm-mobile devices are estimated to cost \$51,622 for FY 2025 and are initial/onetime costs. Ongoing expenses for operation of services is estimated to total \$101,193 including building lease cost, janitorial services, fuel and utilities, general supplies, and other services for FY 2025 and \$106,317 by FY 2027. Their estimates do not include the cost for the development of a system to administer, monitor, and report on the program. Per discussion with OA-ITSD, the data available by the United States Energy Information Administration would be duplicative if they were to create a system. However, if it were determined a separate system would be necessary the cost would be \$32,422 with ongoing costs beginning at \$6,647.

Officials from the **Department of Revenue** indicated this initiative petition (IP) would create The Renewable Energy Project (TREP) to be administered by the Department of Labor and Industrial Relations (DOLIR), to be generally used in employing workers and purchasing or leasing the equipment/facilities necessary to produce, sell, or install solar panels, wind turbines, or their component parts. TREP would be funded by a new tax on individuals (and estates/trusts) on long-term capital gains and qualified dividends.

The IP will materially impact their department by requiring that it administer the new tax on long-term capital gains and qualified dividends.

They estimate that using 2020 tax year data, the most recent complete year available, this proposal could have generated an additional \$839,481,551 in revenues. They also note that actual revenues generated could fluctuate significantly from year to year depending on the amount of capital gains distributed.

In order to aid in the collection of the new tax, they would need to add a new worksheet in the MO-1040 instructions and line on the MO 1040 form. It should be noted that there is a separate schedule that is added to the federal 1040 in order for taxpayers to calculate the amount of tax owed on capital gains. This proposal would require those same taxpayers to recalculate their capital gains tax a second time. Adding this information to the forms, computer programs, and website is estimated to cost \$20,000 (one-time costs).

This proposal requires their department to collect this new tax but the proposal did not delineate a fund to deposit the revenue into. Therefore, they will assume this additional tax will be deposited into general revenue.

They note there are several concerns with this proposal. Those concerns are delineated below:

Section 143.012.1 – Tax Imposed at Annual Intervals?

Section 143.012 states that a tax is imposed on capital gains and qualified dividends, and suggests that it is an annual tax, but does not expressly specify this. It would be preferable to clarify that this tax is imposed "[f]or all tax years beginning on or after January 1, 2025" or something similar.

Section 143.012.1 – Tax Imposed on Who?

Section 143.012 states that a tax is imposed on capital gains and qualified dividends, but does not substantially specify which taxpayers are subject to this tax other than to set a threshold by reference to total family income and by referring to them as "taxpayer[s]". It appears the intent is to impose this on all resident and nonresident individuals (and estates/trusts) who Missouri is constitutionally able to tax. It would promote clarity and administrability to further specify to whom this new tax applies.

Section 143.012.1 – Tax Based on Federal Taxes Paid:

The IP specifies that the amount of tax newly imposed on a taxpayer is equal to "the difference between the dollar amount of taxes **paid** to the federal government [...] on long term capital gains and qualified dividends earned, and the dollar amount of the taxes that **would have been paid** [had they been federally taxed as marginal ordinary income.]" (Emphasis added). In other words, the calculation of the new Missouri tax depends on federal taxes **paid**, not just federal tax **imposed**.

Therefore, if a taxpayer fails to pay any taxes on capital gains and qualified dividends to the federal government, despite owing federal taxes on them, then, by its terms, this provision appears to require a Missouri tax payment equal to the full amount of federal income tax that would have been imposed upon the long term capital gains and qualified dividends earned, at the rate for ordinary income.

Section 143.012.2 – "total family income"

The IP refers to "total family income", but does not define that term or give any state or federal statutory reference to assist in defining that term. If this term is ambiguous and does not have a meaning in the Internal Revenue Code, then Missouri case law generally interprets tax exemptions narrowly against the taxpayer.

If the intent is to allow the DHSS to determine what constitutes "total family income" in its publications, this would ideally be expressed as an authorization for DHSS to make such a determination of total family income instead of merely publishing poverty guidelines.

Section 286.131.6 & 286.131.7 – "clean, renewable sources"

The IP refers elsewhere in Section 286.131 to solar and wind sources of electricity, but in Sections 286.131.6 and 286.131.7, it refers to "clean, renewable sources" of electricity. A different meaning could be suggested by the use of different terms within the same statute. It is unclear what exactly would qualify as "clean, renewable sources" for this purpose, if this phrase is meant to be broader than solar and wind energy, and further specificity would be appropriate. Alternatively, if this phrase is meant to refer only to solar and wind energy, it would be preferable for that to be clarified – perhaps by the inclusion of a definition.

Section 143.012 – Constitutional Concern – Foreign Commerce Clause, Dormant Commerce Clause, and/or Privileges & Immunities Clause:

If challenged, the new tax under Section 143.012 is likely to be found unconstitutional, at least in part, on the basis of the U.S. Constitution's Foreign Commerce Clause and the U.S. Supreme Court's Dormant Commerce Clause jurisprudence, the Privileges & Immunities Clause of the U.S. Constitution, and perhaps some other grounds.

This is because, by its terms, the new tax is based on the capital gains and qualified dividends of nonresident individuals without apportioning or otherwise limiting the nonresident individual's capital gains or qualified dividends to Missouri sources, and nonresidents may argue that it is therefore discriminatory against nonresident Missouri taxpayers. (By contrast, Missouri residents at least receive an income tax credit for income tax imposed by another state.) *Cf. S. Dakota v. Wayfair, Inc.*, 138 S. Ct. 2080, 2091 (2018) (Dormant Commerce Clause doctrine prohibits taxes from discriminating against interstate commerce, and taxes must be fairly related to the services the state provides); *Lunding v. N.Y. Tax Appeals Tribune*, 522 U.S. 287 (1998) (alimony deduction for residents, but not for nonresidents, was found unconstitutional); *Comptroller of Treasury of Maryland v. Wynne*, 575 U.S. 542 (2015) (applying Dormant Commerce Clause analysis to Maryland's personal income tax scheme).

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no impact to their department.

Officials from the **Department of Social Services** indicated no impact for their department.

Officials from the **Governor's office** indicated this proposal does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no direct fiscal impact to their office.

Officials from the **Department of Conservation** indicated no adverse fiscal impact to their department would be expected because of this proposal.

Officials from the **Department of Transportation** indicated this initiative petition is not projected to have a fiscal impact to their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to renewable energy projects does not financially impact their office.

This proposal would create a new program to be called the "Renewable Energy Project." Funding for this program is to be used to increase renewable energy generation in Missouri. Once 90 percent of the energy generated in Missouri comes from renewable sources, the newly created tax revenues in Section 143.012 are to be used by MoDOT for infrastructure projects.

Section 143.012 would levy a new tax on capital gains beginning with calendar year 2025. The Office of Administration Division of Budget and Planning (OABP) notes that this proposal does not specify whether the capital gains tax would be levied on individuals, businesses, and/or corporations. The OABP assumes that the new tax would be levied on all Missouri taxpayers.

The newly created tax is to be the difference between federal taxes paid on capital gains and the amount of federal taxes that would have been paid, had the capital gains been taxed as ordinary income. The OABP notes that capital gains held for less than a year are already taxed as ordinary income. Therefore, the new tax would only apply to long-term capital gains.

OABP further notes that this proposal does not state where the additional revenues are to be deposited for use by the newly created program. Therefore, OABP assumes that all revenues generated under this proposal will be deposited into the state general revenue fund.

Using 2020 tax year data, the most recent complete year available, OABP estimates that this proposal could have generated an additional \$839,481,551 in revenues. OABP notes that actual revenues generated could fluctuate significantly from year to year depending on the amount of capital gains claimed.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. They estimate \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no costs or savings from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St. Louis County** indicated this initiative proposal has no known cost impact on their county.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

The State Auditor's office did not receive a response from the **Attorney General's office, Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville Middletown R-1 School District, State Technical College of Missouri, University of Missouri, St. Louis Community College, and the Missouri Joint Municipal Electric Utility Commission.**

Fiscal Note Summary

State governmental entities estimate initial costs of \$72,000, ongoing costs of at least \$548,000 annually, and ongoing revenues of \$839 million annually. Local governmental entities estimate no costs or savings.



JOHN R. ASHCROFT

SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

December 5, 2022

RECEIVED

DEC 05 2022

STATE AUDITORS OFFICE

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Winston Apple regarding a proposed statutory amendment to Chapter 192 (2024-010)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Winston Apple on December 5, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

RECEIVED
2022 DEC -5 AM 8:55
J. Ashcroft

CIRCULATOR’S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator’s Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do ____ do not ____ (check one) expect to be paid for circulating this petition. If paid, list the payer
_____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20__

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it enacted by the people of the state of Missouri:

One new section of the Revised Missouri Statutes is enacted, to be known as section 192.012, to read as follows:

192.012. 1. "The Missouri Health Care Cooperative" (hereinafter referred to as "MHCC") is hereby created within the department of health and senior services to cover the cost of health care for citizens of Missouri who choose to become members of the cooperative.

2. The MHCC shall be administered by the Director of the Department of Health and Senior Services. The department of health and senior services shall promulgate rules necessary for the administration of this section.

3. The state of Missouri is authorized to issue bonds, if necessary, to cover start-up costs for the MHCC.

4. Memberships in the MHCC shall be available to take effect on January 1, 2026.

5. Enrollment in the MHCC shall be voluntary and limited to citizens of the state of Missouri. Any member who removes her or his primary residence shall have the option of remaining a member through the end of that calendar year.

6. Membership dues shall be based on a percentage of the "taxable income" of each member as shown on federal tax returns. The percentage shall be the same for all members. Separate membership dues shall be collected for spouses when filing a combined return. Any dependents claimed on a member's federal tax return shall also be members of the MHCC.

7. The percentage to be applied to the taxable income of members in determining the amount of membership dues shall be set by the Director of the Department of Health and Senior Services.

8. The MHCC shall be revenue neutral. The percentage of incomes established for determining the amount of membership dues shall be set at a level that will ensure that revenues are sufficient to cover all costs, including amounts paid out for the health care expenses of members; all administrative expenses; and any funds needed to pay the interest, and repay the principal when due, on any bonds issued to fund start-up costs for MHCC. The percentage of incomes used to determine membership dues shall be set no higher than necessary to maintain the revenue neutral status of the MHCC and to maintain a reserve fund sufficient to ensure that health care providers will be reimbursed promptly for services provided.

9. Membership dues shall be paid or collected monthly. Dues shall be based on each member's income from their most recent tax return, or on the estimated income for that year, if a member's income is expected to vary significantly from the previous year.

10. After a member has filed a federal tax return for each calendar year, the amount they paid in membership dues shall be adjusted based on their actual taxable income for that year. Amounts due from each member, or to be refunded to each member, after that adjustment is calculated shall be due from, or paid to, each member on or before June 15th of each year.

11. All treatments and procedures covered by Medicare or Medicaid shall be covered through the MHCC. Only those treatments and procedures covered by Medicare or Medicaid shall be covered through the MHCC.

12. The amounts paid to health care providers for procedures and services to members shall be equal to the amounts paid to health care providers by Medicare and/or Medicaid.

13. All subsections and all clauses of this statute, and the phrases, and the words within them, are severable. If any of the provisions within them are found by a court of competent jurisdiction to be unconstitutional or invalid, the remainder of those provisions shall remain valid and the application of such provisions shall not be affected thereby.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-010)**

Subject

Initiative petition from Winston Apple regarding a proposed amendment to Chapter 192 of the Revised Statutes of Missouri. (Received December 5, 2022)

Date

December 27, 2022

Description

This proposal would amend Chapter 192 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Assumptions

Officials from the **Department of Agriculture** indicated no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated they anticipate no fiscal impact as a result of this legislation.

Officials from the **Department of Elementary and Secondary Education** indicated they have determined there is no fiscal impact upon their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated Section 192.012 of the proposed initiative creates a new health insurance program, *The Missouri Health Care Cooperative* (MHCC), with oversight by the Department of Health and Senior Services (DHSS). MHCC is to be available by January 1, 2026, which is six months of fiscal year (FY) 2026.

Their department is unable to determine the number of individuals who would participate in The Missouri Health Care Cooperative (MHCC). In addition, the premium rates charged by MHCC could be affected by items such as: (1) costs for covered services, (2) the scope of benefits that are included, (3) the plan's cost-sharing requirements, and (4) the health status of the plan's enrollees. Also, the MHCC program oversight responsibilities and costs would be directly impacted by the size of the program (i.e., number of participants, list of covered services, etc.). The Office of Administration could issue bonds for startup costs and to cover initial shortages. Their department is not able to determine the amount of startup cost, premium rates, etc. They do not administer a similar program of any kind, so significant unknown staffing or contractual costs would be necessary. Due to the numerous unknown factors, they are submitting an Unknown Expense equal to Unknown Revenue (Revenue Neutral-zero impact) fiscal note.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for the Initiative petition 24-010 proposing to amend Chapter 192, RSMo.

Officials from the **Department of Revenue** indicated this initiative petition (IP) would create the Missouri Health Care Cooperative (MHCC), to be administered by the Department of Health and Senior Services (DHSS). The MHCC would be funded by membership dues paid by members, and the amount of membership dues would be determined by a percentage (set by the Director of DHSS) of a taxpayer's taxable income shown on their federal income tax return.

So long as this program is exclusively administered by the MHCC, this proposal would not materially impact their department.

They note there are several concerns with this proposal. Those concerns are delineated below:

Section 192.012.6 – membership dues based on taxable income as shown on federal tax returns:

This proposal does not require any citizen to provide a copy of their "taxable income" to DHSS for the calculation. They note that due to the confidentiality laws in Missouri, their department would be unable to provide this information to the DHSS.

This proposal requires the "taxable income" as shown on federal tax returns. However, it does not specify which federal tax returns. Is it the member's individual income tax return, their corporate return, their partnership or S Corp return? Additionally, which year's return is DHSS to use to determine the percentage? Is it the most recent?

It should be noted that while individual income tax returns are due annually by April 15th, taxpayers are allowed to request an extension until October 15th. Therefore it is unclear how the DHSS would be able to set the new percentage rates each year by the June 15th deadline.

This proposal says that the calculation is to be based on "taxable income" and not "adjusted gross income." Adjusted gross income is the total amount of reportable income. Taxable income is the amount of adjusted gross income left after all allowable federal deductions (including the standard deduction, child tax credits, etc.). Many taxpayers are able to significantly reduce their taxable income through the deductions they claim. Using Missouri's 2020 individual income tax data, their department notes that at least 25% of all filers had taxable income between \$0 and \$20.

The proposal provides that membership dues will be based on a percentage set by the DHSS multiplied by the taxable income "of each member as shown on federal tax returns." This does not address situations in which a taxpayer does not file a federal tax return (for example, because they are not required to file a federal tax return).

Presumably, so long as a member has a \$0 taxable income, their membership for that year is free, and the costs of that membership must be covered by an increase in the percentage applied to others who have opted in to the MHCC. If all members of the MHCC in a given year have \$0 taxable income and the reserve fund in Section 192.012.8 is exhausted, no provision is made for how the treatments and procedures covered by this program shall be paid.

In extreme circumstances (e.g., the majority of members have \$0 taxable income but a few members have low taxable income), it is possible that the percentage that must be set by DHSS to ensure coverage of all costs can exceed 100%. For example, if there is no reserve fund left and costs for a year will be \$100,000, there are 99 members of the MHCC with \$0 taxable income, and 1 member with \$1 in taxable income, the percentage will need to be set at least 10,000,000% of that 1 member's taxable income.

Section 192.012.10 – non-calendar year filers:

The proposal appears to assume that individual taxpayers necessarily file a federal tax return on the basis of a calendar year, but this is not always the case. Some individuals may have a tax year, for which they file a federal tax return, which does not match the calendar year. Consider rephrasing Section 192.01.10's reference to "each calendar year", and potentially changing the June 15th deadline in that subsection to something more general (e.g., the 15th day of the sixth month following the close of that member's federal tax year).

Section 192.012.10 – membership dues adjustment:

The proposal provides that the amount of membership dues shall be adjusted based on a member's actual taxable income after a federal return has been filed. This does not specifically address situations in which a member's federal return has been filed late or never filed.

- For example, if a member has a tax year that matches calendar year 2027, but does not file the federal return for 2027 until 2031, shall the membership adjustment still be made and – if so – does the deadline become June 15, 2031 for the 2027 membership dues?

It would also be preferable to specify which state agency (namely, the DHSS, not the Department of Revenue) shall administer the membership dues adjustments and refunds.

Finally, no provision expressly specifies what shall occur if a member has underpaid their dues for a particular year and refuses to pay any increased amount due – in each such situation, may the DHSS bring a civil lawsuit against the member and be represented by the Attorney General's Office? Is the membership in the MHCC automatically terminated?

Summary:

Their department notes that participation in this program is strictly voluntary. Their department has no way to determine how many citizens would choose to participate in such a program so is unable to estimate an impact on the amount that may be paid in membership dues annually. As written this will not administratively impact their department.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated there is no impact to their department.

Officials from the **Department of Social Services** indicated that MO HealthNet defers to DHSS for estimated cost for this IP. Any impacts to MHD would result in a fiscal impact of \$0 to unknown. No other impact to their department.

Officials from the **Governor's office** indicated this proposal relating to health care cooperatives does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no direct fiscal impact to their office.

Officials from the **Department of Conservation** indicated no adverse fiscal impact to their department would be expected because of this proposal.

Officials from the **Department of Transportation** indicated this initiative petition will have no fiscal impact to their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to health care cooperatives does not financially impact their office. They defer to the Department of Revenue for tax impacts.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each

year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. They estimate \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no costs or savings from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St. Louis County** indicated this initiative petition would cause no known cost to their county.

Officials from the **City of Kansas City** indicated this proposed amendment will have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated this initiative will not have a significant specific cost or cost savings to their college. However, their college does work and provide limited services to the community that have not been evaluated against the proposed initiative. Indirect cost considerations have not been determined.

The State Auditor's office did not receive a response from **the Attorney General's office, Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of**

West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville Middletown R-1 School District, State Technical College of Missouri, and University of Missouri.

Fiscal Note Summary

State governmental entities expect any costs to equal any savings. Local governmental entities expect no costs or savings from this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

December 5, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

DEC 05 2022

STATE AUDITORS OFFICE

RE: Petition approval request from Winston Apple regarding a proposed statutory amendment to Chapters 130 & 143 (2024-009)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Revised Statutes of Missouri filed by Winston Apple on December 5, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed law shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

RECEIVED
2022 DEC -5 AM 8:54
[Signature]

CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do ____ do not ____ (check one) expect to be paid for circulating this petition. If paid, list the payer
_____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20__

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it enacted by the people of the state of Missouri:

Two new sections of the Missouri Revised Statutes, to be known as sections 130.030 and 143.990, are enacted to read as follows:

130.030. 1. "The Missouri Elections Trust Fund" is hereby created, as a dedicated fund within the Missouri Department of Revenue, to provide public financing in the form of matching funds for candidates for office in Missouri who agree to, accept, and subsequently meet, the following conditions:

(1) Not to accept contributions from corporations or political action committees that accept corporate contributions; and
(2) That at least one-half of the total money raised, including in-kind contributions, by the candidate will come from individual contributors who contribute a total of \$200.00 or less to the candidate during an election cycle. Primary elections and general elections constitute separate election cycles.

2. Candidates must indicate at time of filing to run for office that they intend to meet and comply with the conditions for receiving matching funds. A candidate electing to receive matching funds for the primary election cycle must also agree to comply with the conditions for receiving matching funds during the general election.

3. If it is determined at any time that a candidate who received matching funds was not in compliance with the conditions required for receiving matching funds or fell out of compliance at a later date, said candidate must return any matching funds received within 45 days of the date that it was determined that she or he failed to comply with the conditions for receiving matching funds.

4. A candidate failing to meet the conditions for the primary election cycle, may not receive matching funds as part of the general election cycle.

5. The ratio of the match relative to the amount of money raised by candidates will be determined by the Department of Revenue based on the total amount of money raised during the designated periods by all candidates who have elected to accept matching funds and the designated amount of money available from the fund during each election cycle.

6. Only contributions made during the designated periods by individual contributors, totaling \$200 or less per contributor per election cycle, will be eligible for matching funds. Contributions from businesses other than sole proprietorships, political action committees and other organizations, including other campaign committees, are not eligible for matching funds. Anonymous contributions are not eligible for matching funds. In-kind contributions are not eligible for matching funds.

7. For purposes of qualifying for matching funds and determining the amount of matching funds to be distributed to each candidate the primary election cycle will begin with the date each non-incumbent candidate officially formed a campaign finance committee through the Missouri Ethics Commission; an incumbent candidate with an ongoing campaign finance committee filed for re-election with the Missouri Secretary of State; or an incumbent candidate amended her or his campaign committee by notifying the Missouri Ethics Commission of her or his intention to seek an office other than the office currently held by that candidate. The primary election cycle for purposes of distributing matching funds will end on June 30 of each election year.

8. One-third of the balance of funds in the Missouri Elections Trust Fund will be distributed as expeditiously as possible after each candidate files the required campaign finance report with the Missouri Ethics Commission for the period ending on June 30 of each election year, but no later than seven business days after the date each candidate's report was filed with the Missouri Ethics Commission.

9. Candidates losing a primary election will not receive matching funds for otherwise qualified contributions made between July 1 and the date of the primary election and must return any unused matching funds no later than 45 days after the date of the primary election.

10. For purposes of qualifying for matching funds and determining the amount of matching funds to be distributed to each candidate, the general election cycle will begin on July 1 of each election year and end on September 30 of each election year. Contributions made after September 30 of each election year will not be eligible for matching funds.

11. The full remaining balance of funds in the Missouri Elections Trust Fund will be distributed during the general election cycle to qualified candidates. This distribution of matching funds will be made as expeditiously as possible after a candidate files a campaign finance report with the Missouri Ethics Commission for the period ending on September 30 of each election year, but no later than seven business days after the date each report was filed with the Missouri Ethics Commission.

12. Candidates will not receive matching funds for otherwise qualified contributions made between October 1 and the date of the general election.

13. When a candidate losing a general election files a termination statement and disclosure report with the Missouri Ethics Commission, any and all funds remaining after repaying any debts owed by the campaign committee are to be paid over to the Missouri Elections Trust Fund, up to and including an amount equal to the full amounts of matching funds received by said candidate.

14. The Missouri Elections Trust Fund will be administered by the Missouri Department of Revenue based on reports filed with the Missouri Ethics Commission.

15. All subsections and all clauses of this Section, and the phrases, and the words within them, are severable. If any of the provisions within them are found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted or invalid, the remainder of those provisions shall remain valid and the application of such provisions shall not be affected thereby.

143.990. 1. In each taxable year beginning on or after January 1, 2025, each individual or corporation having paid state income taxes in the amount of twenty-five dollars or more may designate that five dollars of the tax paid shall be paid over to the Missouri elections trust fund as provided in section 130.030. In the case of a husband and wife with a filing status of married filing combined having paid state income tax in the amount of fifty dollars or more, each spouse may separately designate that five dollars shall be paid to the fund.

2. The option to contribute to this fund, as authorized by this section, shall be clearly and unambiguously printed on the same page of each income tax return form provided by the state upon which the amount of the amount of tax owed is indicated, and shall include the following statement: "Contributing to the Missouri Elections Trust Fund will not increase the amount of tax owed or reduce the amount of overpayment to be refunded."

3. The department of revenue shall deposit the contributions made pursuant to this statute into the Missouri Election Trust Fund as created in section 130.030.

4. All subsections and all clauses of this Section, and the phrases, and the words within them, are severable. If any of the provisions within them are found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted or invalid, the remainder of those provisions shall remain valid and the application of such provisions shall not be affected thereby.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-009)**

Subject

Initiative petition from Winston Apple regarding a proposed amendment to Chapters 130 & 143 of the Revised Statutes of Missouri. (Received December 5, 2022)

Date

December 27, 2022

Description

This proposal would amend Chapters 130 & 143 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, and **Missouri Ethics Commission**.

Assumptions

Officials from the **Department of Agriculture** indicated no fiscal impact on their department.

Officials from the **Department of Economic Development** indicated no fiscal impact as a result of this legislation.

Officials from the **Department of Elementary and Secondary Education** indicated they have determined there is no fiscal impact upon their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for this initiative petition.

Officials from the **Department of Revenue** indicated the following:

This initiative petition ("IP") would create a Missouri Elections Trust Fund (Fun) within the Missouri Department of Revenue (DOR). The IP would give DOR the authority to distribute money to certain candidates for elective office to provide a percentage match to individual campaign contributions (depending on the circumstances, it appears that his matching percentage could exceed 100% of a contribution). Candidates who lose a primary or general election must return any unused funds. The Missouri Elections Trust Fund would be funded by taxpayers designating \$5 of their tax paid (not their refund) to go to that fund. This proposal would significantly impact DOR by requiring that it administer the Missouri Elections Trust Fund, as well as the designation of tax paid going to that fund.

When participating taxpayers choose to make the contribution to the Fund they will be reducing general revenue by an equal amount. This will result in a loss to general revenue.

Due to several concerns with this proposal, outlined below, DOR is unable to determine a full fiscal impact. Those concerns are delineated below:

Section 130.030.1 – "candidates for office in Missouri":

The proposal refers to "candidates for office in Missouri", but does not further specify which offices qualify for this funding (except that Section 130.030.7 limits this to those offices which must file with the MEC or Secretary of State). Offices that file with the Missouri Ethics Commission include county and statewide elective offices as well as at least Missouri's U.S. Senate and U.S. House seats. It is unclear from the language exactly which candidates would be allowed the matching funds. DOR is unable to determine if this would have a fiscal impact.

Section 130.031.1(2) – "primary and general elections"

This proposal says that it is for primary and general elections but does not limit the elections to only the statewide primary and general elections. However, DOR is to use the filings of candidates with the Missouri Ethics Commission to determine the matching funds. It should be noted that while all statewide candidates and county candidates file campaign finance reports at the Missouri Ethics Commission not all city or local political subdivision candidates do. It is unclear from the language as to which candidates, statewide only or local political subdivision also would qualify for this matching fund.

If the intent was to include local political subdivision elections then this proposal did not establish a method for those elections. Therefore, DOR is unclear how they would administer local primary and general elections and is unsure of the fiscal impact of doing so.

Section 130.030.8 & .11– Distribution of matching funds

This proposal requires that DOR distribute one-third of the balance of the Missouri Elections Trust Fund upon the filing of the candidate's campaign finance report for the period ending June 30th. Additionally it requires the remaining funds be distributed during the general election cycle. However, this proposal does not establish any guidance for DOR should the balance of the Fund be lower than the amount that candidates qualify for in matching funds.

Additionally, this proposal requires DOR to provide certain matching campaign funds to certain candidates based on individual contributions and the money available in the Fund, but no limitation is expressed on the amount that may be provided by DOR. Meanwhile, 100% of the balance of the Fund must be disbursed over the course of a primary and general election cycle.

MO Const. Art. VIII, Section 23 sets campaign contribution limits per person to candidates for certain offices, and a "department" or any "other entity of the state" are specifically included in that constitutional section's definition of "person". Depending on the number of candidates who accept the conditions of this program, the terms of this proposal may require DOR to disburse more than campaign contribution limit to a particular candidate, which may be inconsistent with MO Const. Art. VIII, Section 23. (This may depend on

whether the payment from this fund is for the purpose of supporting or electing that candidate, which is not entirely clear). As an example: Candidate running for a Missouri House of Representative seat are subject to a contribution limit of \$2,000 per person.

Section 130.030.5 – Ratio of Matching Determined by DOR

The IP requires DOR to determine "the ratio of the match" relative to the amount of money raised by candidates, based on both the total amount of money raised by all candidates who have opted in to this program and the money available from the Missouri Elections Trust Fund during each election cycle. It would be helpful if the IP expressly specified that DOR must provide an equal ratio of match to each and every candidate who opted in to this program, regardless of the office for which the candidate is running. Notably, this language and surrounding provisions imply that the ratio of money from DOR to individual small campaign contributions may exceed 100%.

- For example, if one-third of the amount in the Missouri Elections Trust Fund is \$10,000, and it must be disbursed in a primary election, and only one candidate opts into this program and that candidate receives only one individual donation for \$50, DOR would apparently be required to disburse 20,000% of that donation's value to the candidate.

Section 130.030.9 – Potential Unintended Consequence – Unopposed Candidates Eligible: Political candidates who run unopposed in their primary and general election are not excluded from receiving money from this section, and DOR would be required to provide funds to them under this IP.

This could provide a significant opportunity for abuse: candidates running unopposed may solicit individual contributions with a primary purpose being to obtain matching funds from DOR, and then to have a large share of their campaign funds available after they win their (unopposed) race. Section 130.030 itself does not require unused funds to be returned by a winning candidate, so the candidate may then attempt to divert these funds to some other purpose to which unused political campaign contributions may be put.

Section 130.030.3, 130.030.9, & 130.030.13 – Matching Funds Clawback and Required Return of Funds, How Enforced:

The IP requires a candidate who receives funds under Section 130.030 but who fails to comply with the requirements of that section to "return any matching funds received within 45 days of the date that it was determined that she or he failed to comply with the conditions for receiving matching funds". Candidates who lose a primary or general election are also obligated to return their unused matching funds. The proposal does not clarify how this shall be enforced if, for example, a candidate simply refuses or fails to return the funds. DOR is unsure how this would be administered.

Section 130.030.1 & 130.030.14 – Generally, Funds to be held by Treasurer rather than DOR:

Under MO Const. Art. IV, Section 15, the state treasurer must be the custodian of all state funds, and the Fund may involve state funds rather than a nonstate funds. The IP does not

expressly designate these funds as nonstate funds, and they are likely not funds resulting from taxes imposed by the state that get distributed to political subdivisions, so these funds might be found to be state funds that must be held by the state treasurer. This would appear contrary to Sections 130.030.1 and 130.030.14, which requires DOR to administer the Missouri Elections Trust Fund and creates that fund "within" DOR.

Section 143.990 – Constitutional Concerns – Appropriation By Initiative Without New Revenues – Appropriation Without Appropriations Bill:

This proposal starting January 1, 2025 allows individuals and corporations that paid state income taxes in the amount of \$25 or more to designate that \$5 of the tax paid be deposited into the Fund. It requires that DOR add a statement to the tax return that this will not reduce the amount of overpayment refunded. Therefore, this proposal is not creating a checkoff program where their refund is sent to the Fund but is redirecting their tax paid to the Fund.

Unlike some designations made on the Missouri income tax form, Section 143.990 is not a designation for how a taxpayer may choose to donate or contribute a tax refund. Instead, Section 143.990 allows taxpayers to specify that \$5 of their tax paid shall go into the Missouri Election Trust Fund. Put differently, if a taxpayer makes this designation, Section 143.990 diverts a portion of the state's tax revenue to a particular fund.

This IP very well may violate MO Const. Art. III, Section 51, which prohibits an initiative from being used to appropriate money "other than of new revenues created and provided for thereby[.]" This IP does not create new revenues, it diverts tax revenue that would have existed regardless of whether the IP takes effect.

This IP also might arguably be inconsistent with MO Const. Art. IV, Section 23, which requires that every appropriation law distinctly specify the amount and purpose of the appropriation without reference to any other law to fix the amount of purpose. It also might arguably be inconsistent with MO Const. Art. III, Section 36, which requires that all revenue collected shall go into the treasury and that the General Assembly shall not divert that revenue except "in pursuance of appropriations made by law."

Summary

They are unable to estimate the number of people that would choose to have their tax paid put into this FUND rather than into general revenue. Therefore they are unable to estimate the amount of funding that would be collected from this proposal.

In order to allow for the trust fund to be designated on the tax return, they would need to add a check box to the MO-1040 form, update their instructions and update their website. These changes are estimated at \$7,193.

If adding this check box to the form generates additional correspondence or errors they may need additional FTE. Their department needs one Associate Customer Service Representative (\$31,200) for every 14,700 errors created and one Associate customer Service Representative (\$31,200) for every 5,700 pieces of generated correspondence. At

this time, they do not estimate they will reach those numbers based on this proposal but should multiple proposals pass that would justify these numbers of errors and correspondence they would seek the additional FTE through the appropriation process.

For the issues raised above, they are not sure how they will be handled and what additional resources would be needed to implement this proposal. Therefore they are also unable to determine what the full administrative impact would be.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department.

Officials from the **Missouri Department of the National Guard** indicated no impact to their department.

Officials from the **Department of Social Services** indicated this will have no impact for their department.

Officials from the **Governor's office** indicated this proposal relating to public funding of elections does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated no adverse fiscal impact to their department would be expected because of this proposal.

Officials from the **Department of Transportation** indicated this initiative petition would not have a fiscal impact to their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated the following:

This proposal relating to public funding of elections does not financially impact their office.

This provision would create an income tax check-off, where a taxpayer may contribute \$5 (or \$10 for married filing joint) to the newly created "Missouri Elections Trust Fund". OA Budget and Planning notes that this check-off would redistribute income taxes from GR to the new fund. Therefore, this proposal may have an unknown negative impact on GR, depending on the number of taxpayers that choose to participate.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no costs or savings from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St. Louis County** indicated this initiative petition has no known cost to their county.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated this initiative will not have a significant specific cost or cost savings to their College. Indirect cost considerations have not been determined.

Officials from the **Missouri Ethics Commission** indicated their office does not have fiscal impact resulting from this initiative petition.

The State Auditor's office did not receive a response from the **Attorney General's** office, **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and University of Missouri.**

Fiscal Note Summary

State government entities estimate one-time costs of about \$7,000. Also, an unknown amount of revenue will not be available for state General Revenue Fund spending. Local governmental entities estimate no costs or savings from this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

December 5, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

DEC 05 2022

STATE AUDITORS OFFICE

RE: Petition approval request from Winston Apple regarding a proposed constitutional amendment to Article VIII (2024-008)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Winston Apple on December 5, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION


To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

RECEIVED

2022 DEC -5 AM 8:53



CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
2.					
3.					
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do _____ do not _____ (check one) expect to be paid for circulating this petition. If paid, list the payer _____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20__

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article VIII, Section 24 of the Constitution is enacted to read as follows:

Article VIII, Section 24. (a) In general elections for the offices of Governor, Lieutenant Governor, Secretary of State, Attorney General, State Treasurer, State Auditor, and United States Senator, if more than two candidates appear on the ballot at either a primary or general election, voters shall be given the opportunity to rank candidates in order of preference.

(b) For offices elected by this method of ranked-choice voting, the ballot shall be simple and easy to understand and allow a voter to rank up to five candidates for an office in order of preference. A voter may include no more than one write-in candidate among that voter's ranked choices for each office.

(c) For all offices elected by ranked-choice voting, the Secretary of State shall tabulate the votes according to the following method: Tabulation proceeds in sequential rounds. In the first round, only first-choice votes are tabulated. If a candidate receives a majority of the first-choice votes (fifty percent of the total votes cast, plus one vote) that candidate is elected. If no candidate receives a majority of the first-choice votes cast, the candidate with the lowest number of first-choice votes is eliminated and the candidates listed as the second choice on ballots cast for the candidate being eliminated are distributed among the "continuing candidates". In each subsequent round, the candidate who has the fewest "cumulative votes" is eliminated. In each subsequent round, the highest remaining choice for a continuing candidate on each ballot for the eliminated candidate shall be redistributed, in ranked order, as needed, among the continuing candidates. Ballots that do not rank any continuing candidate, that contain votes for more than one candidate at the same ranking, or in which a voter has left a ranking blank once that ranking would have been utilized, will be "exhausted ballots" and will not be counted in that round or subsequent rounds. This process is repeated in as many rounds as needed until one candidate wins election by receiving at least fifty percent plus one of the total cumulative votes.

(d) Election officials shall determine a random selection algorithm, prior to tabulation, to resolve ties between candidates. If a tie occurs at any point in the tabulation procedure and tabulation cannot proceed until the tie is resolved, then the random selection algorithm shall resolve the tie.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-008)**

Subject

Initiative petition from Winston Apple regarding a proposed constitutional amendment to Article VIII. (Received December 5, 2022)

Date

December 27, 2022

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, and the **Clay County Board of Election Commissioners**.

Assumptions

Officials from the **Department of Agriculture** indicated no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated no fiscal impact as a result of this legislation.

Officials from the **Department of Elementary and Secondary Education** indicated they have determined this petition has no fiscal impact upon their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article VIII.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no impact to their department.

Officials from the **Department of Social Services** indicated this initiative petition will have no impact for their department.

Officials from the **Governor's office** indicated this proposal relating to ranked voting does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated no adverse fiscal impact to their department would be expected because of this proposal.

Officials from the **Department of Transportation** indicated this initiative petition would not have an impact on their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to ranked voting does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated this petition would institute a policy of ranked-choice voting to elect United States Senators and all statewide officers. This would require all voting machines statewide to either be coded to accept ranked-choice voting (which may require reprogramming) or to be replaced with new machines which do allow ranked-choice voting.

As of the 2020 voting systems survey conducted by their office, local election authorities reported that they possessed 5728 machines. The estimated cost for each new voting machine is \$5,000. The total cost to the state will vary depending on the number of machines which are ready to accept ranked-choice votes or can be reprogrammed to do so. However, using total replacement of all machines as a maximum cost, ranked-choice voting may result in a total impact to general revenue ranging from \$0 up to \$28,640,000. Their office may be required to fund this mandated cost under Article X, Section 21 of the Missouri Constitution.

Each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot

measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. They estimate \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate the following additional costs as a result of this petition:

- ~\$25,000 one-time outlay to update the voter machine counting software and ballot layout fields.
- ~\$6,000 in additional ballots for all parties to vote on all statewide candidates, per Primary and General even-year elections.

In sum, one-time estimate of \$25,000 and ongoing costs of \$12,000 per every even year.

Officials from **Greene County** indicated that in reviewing initiative petition 24-008 it has been determined there will be an increased cost to their county if voters vote to amend Article VIII with the proposed language in this initiative petition.

The sums of those cost estimates respectively to implement for a future election are as follows.

Primary Election Estimated Total Cost: \$440,021.69
General Election Estimated Total Cost: \$455,804.63

The actual costs of the 2022 Primary and the 2020 General Elections are as follows:

August 2022: \$431,634.47
November 2020: \$450,665.80

The difference would be the following for each:

Primary: \$431,634.47 - \$440,021.69 = -\$8,387.22

General: \$450,665.80 - \$455,804.63 = -\$5,138.83

Total Cost Increase for both Elections: \$13,526.05

The cost difference to administer the election is in the coding cost to tabulate a ranked-choice election. In addition, the November 2020 General Election costs were used, due to the final cost of November 2022 not being finalized at this time.

Officials from **St. Louis County** indicated this initiative petition will require a \$50,000 software update for the St. Louis County Board of Elections.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis County Board of Elections** indicated they believe this will have a fiscal impact of anywhere from \$0 - 50,000 because it is unknown if they would need to pay for new software or to use open-sourced software to adapt to ranked-choice voting.

Officials from the **Kansas City Board of Election Commissioners** indicated if this initiative petition becomes law, new software would need to be purchased at \$25,000 and staff would need to be retrained at \$10,000 (one-time costs). The election day ballot would go to two pages due to the increased length of the ballot (200,000 times 50 cents a ballot) \$100,000 (costs for every primary and general election). Legal Notices would be placed in all K.C. area newspapers \$30,000 (one-time costs). Literature explaining rank choice voting would be printed and mailed to all voters at \$100,000 (one-time costs). Also election day judges would need to be trained at \$30,000 (one-time costs). Total cost to implement this new law would be roughly \$195,000 for one-time costs and \$100,000 ongoing costs for every primary and general election.

Officials from the **Platte County Board of Elections** indicated there would be no fiscal impact. Their existing equipment is technically capable of tallying ranked-choice voting (RCV). The only issue would be time to learn.

Officials from the **Jackson County Election Board** indicated the current version of their tabulation software does not support rank choice voting for five selections.

There is currently no software certified by the Election Assistance Commission (EAC) to support a five-candidate selection. If the software were approved by the EAC an upgrade would need to be purchased by their board.

There is currently no funding source available for this purchase.

Fiscal Note Estimate
\$25,000.00 - \$35,500.00

The State Auditor's office did not receive a response from the **Attorney General's office, Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, St. Louis Community College, the Board of Election Commissioners City of St. Louis, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State and local governmental entities estimate no savings, one-time costs of at least \$245,000, and ongoing costs of at least \$225,000 every general election year.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

December 5, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

DEC 05 2022

STATE AUDITORS OFFICE

RE: Petition approval request from Winston Apple regarding a proposed constitutional amendment to Article III, Section 52 (2024-007)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Winston Apple on December 5, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
2.					
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do ____ do not ____ (check one) expect to be paid for circulating this petition. If paid, list the payer _____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20__

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article III of the Constitution is revised by amending Section 52(b) to read as follows:

Section 52(b). The veto power of the governor shall not extend to measures referred to the people. All elections on measures referred to the people shall be had at the general state elections, except when the general assembly shall order a special election. Any measure referred to the people shall take effect when approved by a majority of the votes cast thereon, and not otherwise. This section shall not be construed to deprive any member of the general assembly of the right to introduce any measure. However, any measure passed by the general assembly that alters, amends, or repeals a statute proposed through the initiative and subsequently approved by a majority of the votes cast thereon, shall not take effect unless and until it is referred to the people and approved by a majority of the votes cast thereon.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-007)**

Subject

Initiative petition from Winston Apple regarding a proposed constitutional amendment to Article III. (Received December 5, 2022)

Date

December 27, 2022

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Assumptions

Officials from the **Department of Agriculture** indicated no fiscal impact on their department.

Officials from the **Department of Economic Development** indicated they anticipate no fiscal impact as a result of this legislation.

Officials from the **Department of Elementary and Secondary Education** indicated they have determined there is no fiscal impact on their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department.

Officials from the **Missouri Department of the National Guard** indicated no impact to their department.

Officials from the **Department of Social Services** indicated this will have no impact for their department.

Officials from the **Governor's office** indicated this proposal restricting the ability of the General Assembly to amend voter approved initiative petitions does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated no adverse fiscal impact to their department would be expected because of this proposal.

Officials from the **Department of Transportation** indicated this initiative petition would not have a fiscal impact on their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal restricting the ability of the General Assembly to amend voter approved initiative petitions does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In fiscal year (FY) 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these

requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated that at present, they estimate no costs or savings from this petition.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St. Louis County** indicated this initiative petition has no known cost to their county.

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis Community College** indicated this initiative will not have a significant specific cost or cost savings to the College. Indirect cost considerations have not been determined.

The State Auditor's office did not receive a response from the **Attorney General's office, Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, and University of Missouri.**

Fiscal Note Summary

State and local governmental entities estimate no costs or savings from this proposal.



JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

ELECTIONS DIVISION
(573) 751-2301

December 5, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RECEIVED

DEC 05 2022

STATE AUDITORS OFFICE

RE: Petition approval request from Winston Apple regarding a proposed constitutional amendment to Article III, Section 39 (2024-006)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Winston Apple on December 5, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION


To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

RECEIVED

2022 DEC -5 AM 8:5



CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
2.					
3.					
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11.					
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14.					
15.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do ____ do not ____ (check one) expect to be paid for circulating this petition. If paid, list the payer
_____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20__

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article III of the Constitution is revised by amending Section 39 to read as follows:

Section 39. The general assembly shall not have power:

- (1) To give or lend or to authorize the giving or lending of the credit of the state in aid or to any person, association, municipal or other corporation;
- (2) To pledge the credit of the state for the payment of the liabilities, present or prospective, of any individual, association, municipal or other corporation;
- (3) To grant or to authorize any county or municipal authority to grant any extra compensation, fee or allowance to a public officer, agent, servant or contractor after service has been rendered or a contract has been entered into and performed in whole or in part;
- (4) To pay or to authorize the payment of any claim against the state or any county or municipal corporation of the state under any agreement or contract made without express authority of law;
- (5) To release or extinguish or to authorize the releasing or extinguishing, in whole or in part, without consideration, the indebtedness, liability or obligation of any corporation or individual due this state or any county or municipal corporation;
- (6) To make any appropriation of money for the payment, or on account of or in recognition of any claims audited or that may hereafter be audited by virtue of an act entitled "An Act to Audit and Adjust the War Debts of the State," approved March 19, 1874, or any act of a similar nature, until the claim so audited shall have been presented to and paid by the government of the United States to this state;
- (7) To act, when convened in extra session by the governor, upon subjects other than those specially designated in the proclamation calling said session or recommended by special message to the general assembly after the convening of an extra session;
- (8) To remove the seat of government from the City of Jefferson;
- (9) Except as otherwise provided in section 39(b), section 39(c), section 39(e) or section 39(f) of this article, to authorize lotteries or gift enterprises for any purpose, and shall enact laws to prohibit the sale of lottery or gift enterprise tickets, or tickets in any scheme in the nature of a lottery; except that, nothing in this section shall be so construed as to prevent or prohibit citizens of this state from participating in games or contests of skill or chance where no consideration is required to be given for the privilege or opportunity of participating or for receiving the award or prize and the term "lottery or gift enterprise" shall mean only those games or contests whereby money or something of value is exchanged directly for the ticket or chance to participate in the game or contest. The general assembly may, by law, provide standards and conditions to regulate or guarantee the awarding of prizes provided for in such games or contests under the provision of this subdivision;
- (10) To impose a use or sales tax upon the use, purchase or acquisition of property paid for out of the funds of any county or other political subdivision.
- (11) To prohibit, restrict, limit, or impair, by existing or future law or ordinance of the state, the right of any county, city, town, or village, to establish, mandate or require an employer to provide to an employee a minimum wage rate or provide an employment benefit that exceeds the requirements of federal or state laws, rules, or regulations.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-006)**

Subject

Initiative petition from Winston Apple regarding a proposed constitutional amendment to Article III. (Received December 5, 2022)

Date

December 27, 2022

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Missouri Department of the National Guard**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, **University of Central Missouri**, **Harris-Stowe State University**, **Lincoln University**, **Missouri State University**, **Missouri Southern State University**, **Missouri Western State University**, **Northwest Missouri State University**, **Southeast Missouri State University**, and **Truman State University**.

Assumptions

Officials from the **Department of Agriculture** indicated no fiscal impact on their department.

Officials from the **Department of Economic Development** indicated they anticipate no fiscal impact as a result of this legislation.

Officials from the **Department of Elementary and Secondary Education** indicated they have determined there is no fiscal impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated this initiative petition has no impact on their department.

Officials from the **Department of Health and Senior Services** indicated Section 39, subsection 11 of the proposed initiative position (IP) is estimated to cost between \$0 and \$50,000 in General Revenue. The IP would allow municipalities and counties to set a minimum wage higher than the state minimum wage. It is unknown what local entities would raise the local minimum wage in accordance with the initiative, to what extent minimum wages would change, or if their department would employ staff in those areas affected by an increase in minimum wage. The estimated cost of this IP is between \$0 and \$50,000 General Revenue as DHSS would not have additional funding in federal grants or other funds to cover this potential increase.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated their department is unable to anticipate if any localities in the state in which their employees are located would require a higher minimum wage than their employees are currently paid; nor can they anticipate what that rate would be, should it be higher. Therefore, this change could potentially have an unknown cost to their department.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact to their department.

Officials from the **Department of Revenue** indicated there is no impact for their department regarding this initiative petition.

Officials from the **Department of Public Safety - Office of the Director** indicated there is no impact for their office.

Officials from the **Missouri Department of the National Guard** indicated no impact to their department.

Officials from the **Department of Social Services** indicated no impact for their department.

Officials from the **Governor's office** indicated this proposal restricting the ability of the General Assembly to interfere with localities' ability to set minimum wage rates or set employment benefits above state or federal law does not impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated that Initiative Petition 24-006 may have a potential negative fiscal impact on their department by creating variable minimum wages across different counties throughout the state. This could result in higher minimum wage requirements than otherwise paid by their department.

Officials from the **Department of Transportation** indicated this initiative petition is not projected to have a fiscal impact on their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal restricting the ability of the General Assembly to interfere with localities' ability to set minimum wage rates or set employment benefits above state or federal law does not impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over 5.8 million was spent to publish the full text of the measures for the August and November elections. The SOS estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate no costs or savings.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from **St. Louis County** indicated this initiative petition has no known cost to their county.

Officials from the **City of Kansas City** indicated this will have no fiscal impact on their city.

Officials from **Missouri Southern State University** indicated that they agree to adding this amendment. Depending on the magnitude of the amounts "that exceeds the requirements of federal or state laws, rules, or regulations" the costs could be very significant and put a strain on resources.

Officials from **Metropolitan Community College** indicated no fiscal impact to their college.

Officials from the **St. Louis Community College** indicated this initiative does not appear to have any significant specific cost or cost savings to their College. Indirect cost

considerations have not been determined. In particular, if the petition delays or inhibits the distribution of budgeted funds to the school district then it would have a potentially negative impact. Such impact cannot be evaluated at this time

The State Auditor's office did not receive a response from the **Attorney General's** office, **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, University of Central Missouri, Harris-Stowe State University, Lincoln University, Missouri State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, and Truman State University.**

Fiscal Note Summary

State governmental entities estimate costs of \$0 to \$50,000 annually from this proposal. Local governmental entities estimate no costs or savings from this proposal.



RECEIVED

NOV 17 2022

STATE AUDITORS OFFICE

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

November 17, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Winston Apple regarding a proposed constitutional amendment to Article III, version 4 (2024-005)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Winston Apple on November 17, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
2.					
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15.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do _____ do not _____ (check one) expect to be paid for circulating this petition. If paid, list the payer _____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20____

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article III of the Constitution is revised by repealing Sections 6, 7, 9, 10, 11, and 14 and amending Sections 1, 2, 3, 4, 5, 8, 12, 13, 15, 16, 17, 18, 19, 20, 20(a), 20(b), 20(d), 21, 22, and 32 to read as follows:

Section 1. (a) The legislative power shall be vested in a legislative body [senate and house of representatives] to be styled "The General Assembly of the State of Missouri."

(b) To ensure that all political power in Missouri is vested in and derived from the people and founded upon the will of the people only, from January 2, 2025 until January 5, 2027, each citizen of Missouri who is eligible to vote shall be able to assign one proxy to any member of the Missouri senate, authorizing that senator to cast votes on their behalf, and one proxy to any member of the Missouri house of representatives, authorizing that representative to cast votes on their behalf. Members of the General Assembly shall cast a number of votes equal to the number of proxies they hold, plus one vote for themselves, on all matters that are voted on in their respective houses, including votes taken in committees and on procedural matters.

(c) Citizens of Missouri may assign their proxies either electronically, through a system of Online Accounts for Politically Active Citizens, or by means of a written (paper) proxy. Citizens may reassign a proxy at any time.

(d) The governor shall establish and maintain a system of Online Accounts for Politically Active Citizens to facilitate the assigning and reassigning of proxies electronically. The governor shall be responsible for ensuring the security of that system and for ensuring the privacy of citizens utilizing the system.

(e) On or before January 2, 2025, the Secretary of State shall create and make available to citizens of Missouri, both electronic and paper versions of a proxy form, a form for citizens to use to reassign their proxies, and a form for citizens to submit to notify the secretary of state if they move out of the state of Missouri or are no longer eligible to vote. When so notified, the Secretary of State shall void their proxies. The Secretary of State shall be responsible for promptly voiding the proxies of citizens who are no longer eligible to vote in Missouri due to being incarcerated or deceased. The Secretary of State shall be responsible for notifying citizens, in the manner in which they have indicated they prefer to be notified, when a legislator to whom they have assigned a proxy vacates her or his office for any reason.

(f) The General Assembly shall pass legislation providing penalties for forging or falsifying proxies, for offering money, or any other thing of value, to influence a citizen with regard to the assignment of their proxies, and for accepting money, or any other thing of value, in exchange for the assignment of a proxy.

(g) Effective with the election to be held on November 3, 2026, and at all subsequent general elections of members of the general assembly, the proxy forms on file with the secretary of state shall be treated as a "ballot" for purposes of electing members of the general assembly.

(h) Senators who were elected at the general election in 2022, shall continue in office until such time as the term of office to which they were elected has expired regardless of the number of proxies they have been assigned.

(i) Effective with the election to be held on November 3, 2026, and at all subsequent general elections for members of the general assembly, members of the general assembly shall be elected at-large. The eighty-three candidates who have been assigned the most as of 7 p.m. on November 3, 2026, shall be elected to the general assembly.

(j) Effective January 6, 2027, the general assembly shall be a unicameral legislature, consisting of the seventeen senators elected at the general election on November 5, 2024 and the eighty-three candidates who had been assigned the most proxies by the citizens of Missouri as of 7 p.m. on November 3, 2026.

(k) Effective on and from January 3, 2029, the general assembly shall consist of the one hundred candidates who have been assigned the most proxies by the citizens of Missouri as of 7 p.m. on November 7, 2028 and at subsequent general elections.

(l) From and after January 6, 2027, each citizen of Missouri who is eligible to vote shall be able to assign one proxy to any member of the general assembly authorizing that member to cast votes on their behalf. Members of the general assembly shall cast a number of votes equal to the number of proxies they hold, plus one vote for themselves, on all matters that are voted on in the general assembly, including votes taken in committees and on procedural matters.

Section 2. (a) After December 6, 2018, no person serving as a member of or employed by the general assembly shall act or serve as a paid lobbyist, register as a paid lobbyist, or solicit prospective employers or clients to represent as a paid lobbyist during the time of such service until the expiration of two calendar years after the conclusion of the session of the general assembly in which the member or employee last served and where such service was after December 6, 2018.

(b) No person serving as a member of or employed by the general assembly shall accept directly or indirectly a gift of any tangible or intangible item, service, or thing of value from any paid lobbyist or lobbyist principal. This Article shall not prevent candidates for the general assembly, including candidates for reelection, or candidates for offices within the general assembly [senate or house] from accepting campaign contributions consistent with this

Article and applicable campaign finance law. Nothing in this section shall prevent individuals from receiving gifts, family support or anything of value from those related to them within the fourth degree by blood or marriage.

(c) The general assembly shall make no law authorizing unlimited campaign contributions to candidates for the general assembly, nor any law that circumvents the contribution limits contained in this Constitution. In addition to other campaign contribution limitations or restrictions provided for by law, the amount of contributions made to or accepted by any candidate or candidate committee from any person other than the candidate in any one election to the general assembly [to the office of state representative or state senator] shall not exceed [the following:

(1) To elect an individual to the office of state senator,] two thousand four hundred dollars, [; and

(2) To elect an individual to the office of state representative, two thousand dollars.]

The contribution limits and other restrictions of this section shall also apply to any person exploring a candidacy for election to the general assembly. [the office of state representative or state senator.]

(d) No contribution to a candidate for the general assembly [legislative office] shall be made or accepted, directly or indirectly, in a fictitious name, in the name of another person, or by or through another person in such a manner as to, or with the intent to, conceal the identity of the actual source of the contribution. There shall be a rebuttable presumption that a contribution to a candidate for public office is made or accepted with the intent to circumvent the limitations on contributions imposed in this section when a contribution is received from a committee or organization that is primarily funded by a single person, individual, or other committee that has already reached its contribution limit under any law relating to contribution limitations. A committee or organization shall be deemed to be primarily funded by a single person, individual, or other committee when the committee or organization receives more than fifty percent of its annual funding from that single person, individual, or other committee.

(e) In no circumstance shall a candidate be found to have violated limits on acceptance of contributions if the Missouri ethics commission, its successor agency, or a court determines that a candidate has taken no action to indicate acceptance of or acquiescence to the making of an expenditure that is deemed a contribution pursuant to this section.

(f) No candidate shall accept contributions from any federal political action committee unless the committee has filed the same financial disclosure reports that would be required of a Missouri political action committee.

Section 3. [(a)] The house of representatives shall consist of one hundred sixty-three members until January 6, 2027. On and from January 6, 2027, the general assembly shall be a unicameral legislature consisting of one hundred members elected at each general election [and redistricted as provided in this section].

[(b) The house independent bipartisan citizens commission shall redistrict the house of representatives using the following methods, listed in order of priority:

(1) Districts shall be as nearly equal as practicable in population, and shall be drawn on the basis of one person, one vote. Districts are as nearly equal as practicable in population if no district deviates by more than one percent from the ideal population of the district, as measured by dividing the number of districts into the statewide population data being used, except that a district may deviate by up to three percent if necessary to follow political subdivision lines consistent with subdivision (4) of this subsection; (2) Districts shall be established in a manner so as to comply with all requirements of the United States Constitution and applicable federal laws, including, but not limited to, the Voting Rights Act of 1965 (as amended). The following principles shall take precedence over any other part of this constitution: no district shall be drawn in a manner which results in a denial or abridgment of the right of any citizen of the United States to vote on account of race or color; and no district shall be drawn such that members of any community of citizens protected by the preceding clause have less opportunity than other members of the electorate to participate in the political process and to elect representatives of their choice;

(3) Subject to the requirements of subdivisions (1) and (2) of this subsection, districts shall be composed of contiguous territory as compact as may be. Areas which meet only at the points of adjoining corners are not contiguous. In general, compact districts are those which are square, rectangular, or hexagonal in shape to the extent permitted by natural or political boundaries;

(4) To the extent consistent with subdivisions (1) to (3) of this subsection, communities shall be preserved. Districts shall satisfy this requirement if district lines follow political subdivision lines to the extent possible, using the following criteria, in order of priority. First, each county shall wholly contain as many districts as its population allows. Second, if a county wholly contains one or more districts, the remaining population shall be wholly joined in a single district made up of population from outside the county. If a county does not wholly contain a district, then no more than two segments of a county shall be combined with an adjoining county. Third, split counties and county segments, defined as any part of the county that is in a district not wholly within that county, shall each be as few as possible. Fourth, as few municipal lines shall be crossed as possible;

(5) Districts shall be drawn in a manner that achieves both partisan fairness and, secondarily, competitiveness, but the standards established by subdivisions (1) to (4) of this subsection shall take precedence over partisan fairness and competitiveness. "Partisan fairness" means that parties shall be able to translate their popular support into legislative representation with approximately equal efficiency. "Competitiveness" means that parties' legislative representation shall be substantially and similarly responsive to shifts in the electorate's preferences.

To this end, the average electoral performance of the two political parties receiving the most votes in the three preceding general elections for governor, for United States Senate, and for President of the United States shall be calculated. This index shall be defined as the total votes received by each party in the three preceding general elections for governor, for United States Senate, and for President of the United States, divided by the total votes cast for both parties in these elections. Using this index, the total number of wasted votes for each party, summing across all of the districts in the plan shall be calculated. "Wasted votes" are votes cast for a losing candidate or for a winning candidate in excess of the threshold needed for victory. In any redistricting plan and map of the proposed districts, the difference between the two parties' total wasted votes, divided by the total votes cast for the two parties, shall not exceed fifteen percent.

To promote competitiveness, the electoral performance index shall be used to simulate elections in which the hypothetical statewide vote shifts by one percent, two percent, three percent, four percent, and five percent in favor of each party. The vote in each individual district shall be assumed to shift by the same amount as the state-wide vote. In each of these simulated elections, the difference between the two parties' total wasted votes, divided by the total votes cast for the two parties, shall not exceed fifteen percent.

(c) Within sixty days after the population of this state is reported to the President for each decennial census of the United States or, in the event that a redistricting plan has been invalidated by a court of competent jurisdiction, within sixty days that such a ruling has been made, the state committee and the congressional district committees of each of the two political parties casting the highest vote for governor at the last preceding general election shall meet and the members of each committee shall nominate, by a majority vote of the elected members of the committee present, provided that a majority of the elected members is present, members of their party, residents in that district, in the case of a congressional district committee, as nominees for the house independent bipartisan citizens commission. No party shall select more than one nominee from any one state legislative district. The congressional district committees shall each submit to the governor their list of two elected nominees. The state committees shall each submit to the governor their list of five elected nominees. Within thirty days thereafter, the governor shall appoint a house independent bipartisan citizens commission consisting of one nominee from each list submitted by each congressional district committee and two nominees from each list submitted by each state committee to redistrict the state into one hundred and sixty-three representative districts and to establish the numbers and boundaries of said districts. No person shall be appointed to both the house independent bipartisan citizens commission and the senate independent bipartisan citizens commission during the same redistricting cycle.

If any committee fails to submit a list within such time, the governor shall appoint a member of his or her own choice from the political party of the committee failing to submit a list, provided that in the case of a congressional district committee failing to submit a list, the person appointed to the commission by the governor shall reside in the congressional district of such committee.

Members of the commission shall be disqualified from holding office as members of the general assembly for four years following the date of the filing by the commission of its final redistricting plan.

For the purposes of this Article, the term congressional district committee or congressional district refers to the congressional district committee or the congressional district from which a congressman was last elected, or, in the event members of congress from this state have been elected at large, the term congressional district committee refers to those persons who last served as the congressional district committee for those districts from which congressmen were last elected, and the term congressional district refers to those districts from which congressmen were last elected. Any action pursuant to this section by the congressional district committee shall take place only at duly called meetings, shall be recorded in their official minutes and only members present in person shall be permitted to vote.

(d) The commissioners so selected shall, on the fifteenth day, excluding Sundays and state holidays, after all members have been appointed, meet in the capitol building and proceed to organize by electing from their number a chairman, vice chairman and secretary. The commission shall adopt an agenda establishing at least three hearing dates on which hearings open to the public shall be held to hear objections or testimony from interested persons. A copy of the agenda shall be filed with the clerk of the house of representatives within twenty-four hours after its adoption. Executive meetings may be scheduled and held as often as the commission deems advisable.

(e) Not later than five months after the appointment of the commission, the commission shall file with the secretary of state a tentative redistricting plan and map of the proposed districts and during the ensuing fifteen days shall hold such public hearings as may be necessary to hear objections or testimony of interested persons. The commission shall make public the tentative redistricting plan and map of the proposed districts, as well as all demographic and partisan data used in the creation of the plan and map.

(f) Not later than six months after the appointment of the commission, the commission shall file with the secretary of state a final statement of the numbers and the boundaries of the districts together with a map of the districts, and no statement shall be valid unless approved by at least seven-tenths of the members.

(g) After the final statement is filed, members of the house of representatives shall be elected according to such districts until a new redistricting plan is made as provided in this section, except that if the final statement is not filed within six months of the time fixed for the appointment of the commission, the commission shall stand discharged and the house of representatives shall be redistricted using the same methods and criteria as described in subsection (b) of this section by a commission of six members appointed from among the judges of the appellate courts of the state of Missouri by the state supreme court, a majority of whom shall sign and file its redistricting plan and map with the secretary of state within ninety days of the date of the discharge of the house independent

bipartisan citizens commission. The judicial commission shall make public the tentative redistricting plan and map of the proposed districts, as well as all demographic and partisan data used in the creation of the plan and map. Thereafter, members of the house of representatives shall be elected according to such districts until a redistricting plan is made as provided in this section.

(h) Each member of the commission shall receive as compensation fifteen dollars a day for each day the commission is in session but not more than one thousand dollars, and, in addition, shall be reimbursed for his or her actual and necessary expenses incurred while serving as a member of the commission.

(j) Any action expressly or implicitly alleging that a redistricting plan violates this Constitution, federal law, or the United States Constitution shall be filed in the circuit court of Cole County and shall name the body that approved the challenged redistricting plan as a defendant. Only an eligible Missouri voter who sustains an individual injury by virtue of residing in a district that exhibits the alleged violation, and whose injury is remedied by a differently drawn district, shall have standing. If the court renders a judgment in which it finds that a completed redistricting plan exhibits the alleged violation, its judgment shall adjust only those districts, and only those parts of district boundaries, necessary to bring the map into compliance. The supreme court shall have exclusive appellate jurisdiction upon the filing of a notice of appeal within ten days after the judgment has become final.]

Section 4. Each member of the general assembly [representative] shall be twenty-four years of age, and next before the day of her or his election, shall have been a qualified voter for two years and a resident of the [county or district which he is chosen to represent] state of Missouri for one year, [if such county or district shall have been so long established, and if not, then of the county or district from which the same shall have been taken.]

Section 5. The senate shall consist of thirty-four members elected by the qualified voters of the senatorial districts for a term of four years until January 6, 2027. On and from January 6, 2027, the general assembly shall be a unicameral legislature consisting of one hundred members. [Senatorial districts shall be apportioned as provided for in Article III, Section 7.]

[Section 6. Each senator shall be thirty years of age, and next before the day of his election shall have been a qualified voter of the state for three years and a resident of the district which he is chosen to represent for one year, if such district shall have been so long established, and if not, then of the district or districts from which the same shall have been taken.]

[Section 7. (a) Within sixty days after the population of this state is reported to the President for each decennial census of the United States, or within sixty days after a redistricting plan has been invalidated by a court of competent jurisdiction, the state committee and the congressional district committees of each of the two political parties casting the highest vote for governor at the last preceding general election shall meet and the members of each committee shall nominate, by a majority vote of the elected members of the committee present, provided that a majority of the elected members is present, members of their party, residents in that district, in the case of a congressional district committee, as nominees for the senate independent bipartisan citizens commission. No party shall select more than one nominee from any one state legislative district. The congressional district committees shall each submit to the governor their list of two elected nominees. The state committees shall each submit to the governor their list of five elected nominees. Within thirty days thereafter the governor shall appoint a senate independent bipartisan citizens commission consisting of two nominees from each list submitted by each state committee and one nominee from each list submitted by each congressional district committee, to redistrict the thirty-four senatorial districts and to establish the numbers and boundaries of said districts. No person shall be appointed to both the house independent bipartisan citizens commission and the senate independent bipartisan citizens commission during the same redistricting cycle.

If any committee fails to submit a list within such time, the governor shall appoint a member of his or her own choice from the political party of the committee failing to submit a list, provided that in the case of a congressional district committee failing to submit a list, the person appointed to the commission by the governor shall reside in the congressional district of such committee.

Members of the commission shall be disqualified from holding office as members of the general assembly for four years following the date of the filing by the commission of its final redistricting plan.

(b) The commissioners so selected shall, on the fifteenth day, excluding Sundays and state holidays, after all members have been appointed, meet in the capitol building and proceed to organize by electing from their number a chairman, vice chairman and secretary. The commission shall adopt an agenda establishing at least three hearing dates on which hearings open to the public shall be held to hear objections or testimony from interested persons. A copy of the agenda shall be filed with the secretary of the senate within twenty-four hours after its adoption. Executive meetings may be scheduled and held as often as the commission deems advisable.

(c) The senate independent bipartisan citizens commission shall redistrict the senate using the same methods and criteria as those required by subsection (b), section 3 of this Article for the redistricting of the house of representatives.

(d) Not later than five months after the appointment of the senate independent bipartisan citizens commission, the commission shall file with the secretary of state a tentative redistricting plan and map of the proposed districts and during the ensuing fifteen days shall hold such public hearings as may be necessary to hear objections or testimony

of interested persons. The commission shall make public the tentative redistricting plan and map of the proposed districts, as well as all demographic and partisan data used in the creation of the plan and map.

(e) Not later than six months after the appointment of the commission, the commission shall file with the secretary of state a final statement of the numbers and the boundaries of the districts together with a map of the districts, and no statement shall be valid unless approved by at least seven-tenths of the members.

(f) After the final statement is filed, senators shall be elected according to such districts until a new redistricting plan is made as provided in this section, except that if the final statement is not filed within six months of the time fixed for the appointment of the commission, the commission shall stand discharged and the senate shall be redistricted using the same methods and criteria as described in subsection (b) of section 3 of this Article by a commission of six members appointed from among the judges of the appellate courts of the state of Missouri by the state supreme court, a majority of whom shall sign and file its redistricting plan and map with the secretary of state within ninety days of the date of the discharge of the senate independent bipartisan citizens commission. The judicial commission shall make public the tentative redistricting plan and map of the proposed districts, as well as all demographic and partisan data used in the creation of the plan and map. Thereafter, senators shall be elected according to such districts until a redistricting plan is made as provided in this section.

(g) Each member of the commission shall receive as compensation fifteen dollars a day for each day the commission is in session, but not more than one thousand dollars, and, in addition, shall be reimbursed for his or her actual and necessary expenses incurred while serving as a member of the commission.

(i) Any action expressly or implicitly alleging that a redistricting plan violates this Constitution, federal law, or the United States Constitution shall be filed in the circuit court of Cole County and shall name the body that approved the challenged redistricting plan as a defendant. Only an eligible Missouri voter who sustains an individual injury by virtue of residing in a district that exhibits the alleged violation, and whose injury is remedied by a differently drawn district, shall have standing. If the court renders a judgment in which it finds that a completed redistricting plan exhibits the alleged violation, its judgment shall adjust only those districts, and only those parts of district boundaries, necessary to bring the map into compliance. The supreme court shall have exclusive appellate jurisdiction upon the filing of a notice of appeal within ten days after the judgment has become final.]

Section 8. No one shall be elected to serve more than [eight years total in any one house of the General Assembly nor more than] sixteen years total in [both houses of] the General Assembly. [In applying this section, service in the General Assembly resulting from an election prior to December 3, 1992, or service of less than one year, in the case of a member of the house of representatives, or two years, in the case of a member of the senate, by a person elected after the effective date of this section to complete the term of another person, shall not be counted.]

[Section 9. Until the convening of the Seventy-fourth General Assembly the House of Representatives shall consist of one hundred sixty-three members elected from the one hundred sixty-three representative districts, as they existed January 1, 1965.]

[Section 10. The last decennial census of the United States shall be used in apportioning representatives and determining the population of senatorial and representative districts. Such districts may be altered from time to time as public convenience may require.]

[Section 11. The first election of senators and representatives under this constitution, shall be held at the general election in the year one thousand nine hundred and forty-six when the whole number of representatives and the senators from the districts having even numbers, who shall compose the first class, shall be elected, and two years thereafter the whole number of representatives and the senators from districts having odd numbers, who shall compose the second class, shall be elected, and so on at each succeeding general election.]

Section 12. No person holding any lucrative office or employment under the United States, this state or any municipality thereof shall be eligible to serve as a member of the general assembly [hold the office of senator or representative]. When any individual serving as a member of the general assembly [senator or representative] accepts any office or employment under the United States, this state or any municipality thereof, her or his office shall thereby be vacated and she or he shall thereafter perform no duty and receive no salary as a member of the general assembly. [senator or representative.] During the time they serve as a member of the general assembly, [term for which he was elected no senator or representative] no one shall accept any appointive office or employment under this state which is created or the emoluments of which are increased during such term. This section shall not apply to members of the organized militia, of the reserve corps and of school boards, and notaries public.

Section 13. If any person serving as a member of the general assembly [senator or representative remove his residence from the district or county for which he was elected,] removes her or his residence from the state of Missouri, her or his office shall thereby be vacated.

[Section 14. Writs of election to fill vacancies in either house of the general assembly shall be issued by the governor.]

Section 15. Every member of the general assembly [senator or representative elect], before entering upon the duties of her or his office, shall take and subscribe the following oath or affirmation: "I do solemnly swear, or affirm, that I will support the Constitution of the United States and of the state of Missouri, and faithfully perform the duties of my office, and that I will not knowingly receive, directly or indirectly, any money or other valuable thing for the

performance or nonperformance of any act or duty pertaining to my office, other than the compensation allowed by law." The oath shall be administered in the halls of the general assembly [respective houses] to the members thereof, by a judge of the supreme court or a circuit court, or after the organization by the presiding officer of the general assembly [either house,] and shall be filed in the office of the secretary of state. Any [senator or representative] member refusing to take said oath or affirmation shall be deemed to have vacated her or his office, and any member convicted of having violated his oath or affirmation shall be deemed guilty of perjury, and be forever disqualified from holding any office of trust or profit in this state.

Section 16. Members of the general assembly [Senators and representatives] shall receive from the state treasury as salary such sums as are provided by law. No law fixing the compensation of members of the general assembly shall become effective until the first day of the regular session of the general assembly next following the session at which the law was enacted. Upon certification by the president and secretary of the [senate and by the speaker and chief clerk of the house of representatives] general assembly as to the respective members thereof, the state comptroller shall audit and the state treasurer shall pay such compensation without legislative enactment. Until otherwise provided by law members of the general assembly [senators and representatives] shall receive one dollar for every ten miles traveled in going to and returning from their place of meeting while the legislature is in session, on the most usual route.

Until otherwise provided by law, each member of the general assembly [senator or representative] shall be reimbursed from the state treasury for the actual and necessary expenses incurred by him in attending sessions of the general assembly in the sum of ten dollars (\$10.00) per day for each day on which the journal of the general assembly [senate or house respectively] shows the presence of such member [senator or representative]. Upon certification by the president and secretary of the general assembly [senate and by the speaker and chief clerk of the house of representatives] as to the respective members thereof, the state comptroller shall approve and the state treasurer shall pay monthly such expense allowance without legislative enactment.

Section 17. Until otherwise provided by law, the general assembly [house of representatives shall not employ more than one hundred twenty-five and the senate] shall not employ more than two hundred [seventy-five] employees elective, appointive or any other at any time during any session.

Section 18. The general assembly [Each house] shall appoint its own officers; shall be sole judge of the qualifications, election and returns of its own members; may determine the rules of its own proceedings, except as herein provided; may arrest and punish by fine not exceeding three hundred dollars, or imprisonment in a county jail not exceeding ten days, or both, any person not a member, who shall be guilty of disrespect to the house by any disorderly or contemptuous behavior in its presence during its sessions; may punish its members for disorderly conduct; and, with the concurrence of two-thirds of all members elect, may expel a member; but no member shall be expelled a second time for the same cause.

Section 19. (a) Members of the general assembly [Senators and representatives] shall, in all cases except treason, felony, offenses under this Article, or breach of the peace, be privileged from arrest during the session of the general assembly, and for the fifteen days next before the commencement and after the termination of each session; and they shall not be questioned for any speech or debate in either house in any other place.

(b) Legislative records shall be public records and subject to generally applicable state laws governing public access to public records, including the Sunshine Law. Legislative records include, but are not limited to, all records, in whatever form or format, of the official acts of the general assembly, of the official acts of legislative committees, of the official acts of members of the general assembly, of individual legislators, their employees and staff, of the conduct of legislative business and all records that are created, stored or distributed through legislative branch facilities, equipment or mechanisms, including electronic. Each member of the general assembly is the custodian of legislative records under the custody and control of the member, their employees and staff. The chief clerk of the house or the secretary of the senate are the custodians for all other legislative records relating to the house and the senate, respectively.

(c) Legislative proceedings, including committee proceedings, shall be public meetings subject to generally applicable law governing public access to public meetings, including the Sunshine Law. Open public meetings of legislative proceedings shall be subject to recording by citizens, so long as the proceedings are not materially disrupted.

Section 20. The general assembly shall meet on the first Wednesday after the first Monday in January following each general election. The general assembly may provide by law for the introduction of bills during the period between the first day of December and the first Wednesday after the first Monday of January.

The general assembly shall reconvene on the first Wednesday after the first Monday of January after adjournment at midnight on May thirtieth of the preceding year. [A majority of the elected members of each house] Members of the general assembly holding a majority of the proxies that have been assigned to members of the general assembly shall constitute a quorum to do business, but a smaller number may adjourn from day to day, and may compel the attendance of absent members in such manner and under such penalties as each house may provide. The sessions of the general assembly [each house] shall be held with open doors, except in cases which may require secrecy but not including the final vote on bills, resolutions and confirmations. [Neither house shall, without the consent of the other, adjourn for more than ten days at any one time, nor to any other place than that in which the two houses may be sitting.]

Section 20(a). The general assembly shall adjourn at midnight on May thirtieth until the first Wednesday after the first Monday of January of the following year, unless it has adjourned prior thereto. All bills [in either house] remaining on the calendar after 6:00 p.m. on the first Friday following the second Monday in May are tabled. The period between the first Friday following the second Monday in May and May thirtieth shall be devoted to the enrolling, engrossing, and the signing in open session by officers of the General Assembly [respective houses] of bills passed prior to 6:00 p.m. on the first Friday following the second Monday in May.

The general assembly shall automatically stand adjourned sine die at 6:00 p.m. on the sixtieth calendar day after the date of its convening in special session unless it has adjourned sine die prior thereto.

Section 20(b). Upon the filing with the secretary of state of a petition stating the purpose for which the session is to be called and signed by members of the general assembly holding a cumulative total of proxies constituting a majority of the total number of proxies held by all members of the general assembly [three-fourths of the members of the senate and three-fourths of the members of the house of representatives, the president pro tem of the senate and the speaker of the house shall by joint proclamation] the presiding member of the general assembly shall convene the general assembly in special session. The proclamation shall state specifically each matter contained in the petition on which action is deemed necessary. No appropriation bill shall be considered in a special session convened pursuant to this section if in that year the general assembly has not passed the operating budget in compliance with Section 25 of this article.

The general assembly shall automatically stand adjourned sine die at 6:00 p.m. on the thirtieth calendar day after the date of its convening in special session under this section unless it has adjourned sine die prior thereto.

Section 20(d). If any provision of sections 2, 3, 12, or 13(c) [7, 19, or 20(c)] or the application thereof to anyone or to any circumstance is held invalid, the remainder of those provisions and the application of such provisions to others or other circumstances shall not be affected thereby.

Section 21. The style of the laws of this state shall be: "Be it enacted by the General Assembly of the State of Missouri, as follows." No law shall be passed except by bill, and no bill shall be so amended in its passage through the general assembly [either house] as to change its original purpose. [Bills may originate in either house and may be amended or rejected by the other]. Every bill shall be read by title on three different days in the general assembly [each house].

Section 22. Every bill shall be referred to a committee of the house in which it is pending.

After it has been referred to a committee, [one-third of] the elected members of the respective houses by a vote of one-third or more shall have power to relieve a committee of further consideration of a bill and place it on the calendar for consideration. Each committee shall keep such record of its proceedings as is required by rule of the respective houses and this record and the recorded vote of the members of the committee shall be filed with all reports on bills.

Each house of the general assembly may provide by rule for such committees of that house as it deems necessary to meet to consider bills or to perform any other necessary legislative function during the interim between the session ending on the thirtieth day of May and the session commencing on the first Wednesday after the first Monday of January.

Section 32. Every bill presented to the governor and returned with his objections shall stand as reconsidered in the house to which it is returned. If the governor returns any bill with his objections on or after the fifth day before the last day upon which a session of the general assembly may consider bills, the general assembly shall automatically reconvene on the first Wednesday following the second Monday in September for a period not to exceed ten calendar days for the sole purpose of considering bills returned by the governor. The objections of the governor shall be entered upon the journal and the house shall proceed to consider the question pending, which shall be in this form: "Shall the bill pass, the objections of the governor thereto notwithstanding?" The vote upon this question shall be taken by yeas and nays and if [two-thirds of the elected members of the house vote] a majority of the votes are in the affirmative the presiding officer of the general assembly [that house] shall certify that fact on the roll, attesting the same by her or his signature [, and send the bill with the objections of the governor to the other house, in which like proceedings shall be had in relation thereto]. The bill thus certified shall be deposited in the office of the secretary of state as an authentic act and shall become a law.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-005)**

Subject

Initiative petition from Winston Apple regarding a proposed constitutional amendment to Article III. (Received November 17, 2022)

Date

December 7, 2022

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, and the **Clay County Board of Election Commissioners**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated this initiative petition will have no fiscal impact upon their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated subsection (f) indicates "the General Assembly shall pass legislation providing penalties for forging or falsifying proxies". Should this legislation pass, there is a \$0 to unknown impact, dependent upon the penalties provided for at that time.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article III, version 4.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department.

Officials from the **Department of Social Services** indicated no impact for their department.

Officials from the **Governor's office** indicated this proposal relating to establishing citizen representative voting proxies and Online Accounts for Politically Active Citizens will have a fiscal impact of \$528,524 with ongoing costs of approximately \$110,000 for maintenance.

This proposal also replaces current popular elections with a proxy system to elect members of the General Assembly. Additionally, the General Assembly will become a unicameral body with 100 members after January 6, 2027.

Officials from the **Missouri House of Representatives** indicated the impact to their agency is as follows:

Fiscal Year (FY) 27-Impact on half the fiscal year.
Cost savings of \$3,870,103.96.

FY28-will be the first year they realize the full impact of the reduction in membership.
Cost savings of \$5,887,135.25.

The costs savings come from member salaries, per diem, member mileage, member expense accounts, and a reduction in the number of legislative assistant staff needed. They assume the Office of Administration may show the temporary unknown increased cost for any legislative assistants that would have to be laid off and the impact it may have on state unemployment payments.

Officials from the **Department of Conservation** indicated no adverse fiscal impact to their department would be expected because of this proposal.

Officials from the **Department of Transportation** indicated this initiative petition is not projected to have a fiscal impact on their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to establishing Online Accounts for Politically Active Citizens will impact their Division of Information Technology. The division estimates construction of the website envisioned in this initiative will cost \$528,524 with on-going yearly maintenance costs of \$110,000.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate a fiscal savings should this initiative petition pass. They indicated, in summary, year 1 savings will be approximately \$1.6 million and year 2 savings will be \$7.1 million. They also provided the following information:

Initiative Petition 24-005 v4 to Amend Article III of the Missouri Constitution

Effective January 6, 2027 the general assembly shall be a unicameral legislature
General assembly will consist of 100 members

Estimated savings beginning January 1, 2027

6 months of appropriation will be fully spent, and then 50% of the remaining 6 months will be spent (resulting in a 50% savings of 6 months of cost)

EXPENSE	Appropriation	EST SAVINGS PER EACH	6 MONTH COST DIVIDED BY 2	Notes
Senators' Salary	0003	(37,711.00)	(320,543.50)	Statutory Appropriation - current legislator salary \$1,571.30 X 24 pay periods = \$37,711 X 34 / 6 MONTHS / 2
Senators' Mileage	0004	(2,871.00)	(48,807.00)	Statutory Appropriation - average total miles of current senators used in calculation 261 X .55 X 20 weeks
Senators' Per Diem	0005	(8,792.00)	(149,464.00)	Statutory Appropriation - current daily per diem \$125.60 X 70 est total session days
Senator's Annual Budget	9801	(131,019.00)	(1,113,661.50)	Cost for Senators annual budget to pay personnel, mailings, district travel and office expenses
SAVINGS FROM 1/1/27 - 6/30/27:			<u>(1,632,476.00)</u>	

Estimated savings as of July 1, 2027

Reduces overall legislators from 197 to 100

EXPENSE	Appropriation	TOTAL FY 2023 APPROP	50% SAVINGS	Notes
Senators' Salary-0101	0003	(1,272,408.00)	(636,204.00)	50% appropriation savings
Senators' Mileage-0101	0004	(115,085.00)	(57,542.50)	50% appropriation savings
Senators' Per Diem-0101	0005	(314,151.00)	(157,075.50)	50% appropriation savings
Senate Contingent-0101	9801	(12,254,617.00)	(6,127,308.50)	50% appropriation savings
Joint Contingent-0101	1052	(225,000.00)	(112,500.00)	50% appropriation savings
Senate Contingent-0535	4505	(40,000.00)	(20,000.00)	50% appropriation savings
SAVINGS AS OF 7/1/2027:			<u>(7,110,630.50)</u>	

ASSUMPTIONS IN COST SAVINGS: Reduces senators from 34 to 17 - 50% reduction
Reduces representatives from 163 to 83 - 50% reduction

Officials from the **Secretary of State's office** indicated this petition would establish a system of legislative proxies, with each citizen able to assign a proxy to one senator and one representative, then each legislator casting votes in accordance with the number of proxies held. The governor's office will create and maintain the electronic proxy assignment system, but the Secretary of State will be responsible for voiding proxies of citizens who are no longer eligible voters due to death, incarceration, leaving the state, or otherwise becoming ineligible. Additionally, they will also be required to notify citizens, in a manner of their choosing, when one of their assigned proxies leaves office for any reason. In order to provide up-to-date numbers of proxies per legislator to the General Assembly on a timely basis, they anticipate the need for a new Elections Specialist full-time employee (FTE) to handle this workload beginning in fiscal year (FY) 2025. Depending on the notification methods chosen by citizens, they may also incur significant mailing costs, but the amount of such potential printing and postage is unknown. Furthermore, starting with the November 2026 general election, members of the General Assembly will be "elected" based on the number of proxies held by candidates. It is not clear if primary elections will be affected by this change. For any election which is affected, local election authorities may have some unknown amount of savings due to these races not appearing on their ballots, while the Secretary of State's office expects to commit additional resources to handle candidate proxy assignments in the timeliest possible manner. The scope of these resources and the associated cost are unknown but could be substantial. Also beginning with the 2026 election, the General Assembly will become a unicameral legislature with legislators selected on an at-large basis. They do not expect to require significant resources to accommodate the initial change, however, many of the requirements for quorum and other business will also change from a majority of members to a number of members holding a majority of proxies. This means that proxy updates and transfers must be conducted in a manner as close to real-time as possible in order to ensure the legislature can legally transact business. Depending on the workload required, they may require additional new FTEs beyond the one requested above to meet this provision.

Each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions

certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate converting to a proxy system of electing members of the General Assembly will have the following fiscal impacts on Clay County:

- One-time software expense of ~\$2,000 to modify the ballot configuration eliminating the fields for electing State Senators and State Representatives.
- Ongoing savings of ~\$500 in mapping every year due to not having to draw and print General Assembly districts on voting maps.
- Ongoing savings every even election year of ~\$5,000 between both the primary and general elections due to reduced cost for printed ballots.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Article III, version 4.

Officials from **St. Louis County** indicated there are no expected costs to their county.

Officials from the **City of Jefferson** indicated they see little to no fiscal impact to their city resulting from this initiative petition proposing to amend Article III, version 4.

Officials from the **City of Kansas City** indicated this proposed amendment has no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis County Board of Elections** indicated no impact.

Officials from the **Platte County Board of Elections** indicated this proposal would have no fiscal impact on Platte County unless the Secretary of State interprets that removal of proxies for ineligible voters should fall on election authorities.

Officials from the **Jackson County Election Board** indicated:

Assuming the house/senate independent bipartisan citizens commission shall redistrict the house of representatives/senate lines, each election authority would have to incur costs associated with said redistricting and renaming of precincts, redrawing of all jurisdictional lines, mapping adjustments for the website and GIS consultant labor for their respective jurisdictions.	
ESTIMATED COST	\$50,000.00
Assuming this would be very confusing to the voters of Jackson County Election Board's voting public, an educational process would need to occur.	
ESTIMATED COST	\$200,000.00
Assuming multiple changes in software related to voting equipment would need to occur.	
ESTIMATED COST	\$250,000.00
	\$500,000.00
This amount is estimated costs by the Jackson County Board of Election Commissioners. More costs might be incurred if more responsibilities of this proposed petition fall to the local jurisdictions.	

Officials from the **Clay County Board of Election Commissioners** indicated as these are written, they cannot see that there would be any cost associated with this petition.

Officials from the **Kansas City Board of Election Commissioners** indicated that if this initiative petition were to become law it would increase the cost of the elections for the reasons listed below.

- The cost to conduct an election is \$650,000. The State would be responsible for an increase in its pro-rata share based on the voter registrations.
- Six additional full time staff would be required at \$40,000 each, including benefits (\$40,000 x 6 = \$240,000).
- Six additional seasonal staff of \$30,00 per election times two state-wide elections per year (\$60,000).
- Additional equipment of \$20,000 for permanent staff and seasonal staff in order for them to be able to process the information as required.
- Voter education of \$100,000 would be required to inform voters about the new law.

The total potential cost could be \$1,070,000.

Additionally, they added security because with this volatile climate, and heightened threats they have already received they believe this will create even more unrest, which would require another \$25,000 in security per elections up until the day of certification.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, St. Louis Community College, and the Board of Election Commissioners City of St. Louis.**

Fiscal Note Summary

State governmental entities estimate initial costs of \$500,000, ongoing costs of at least \$100,000 annually, and savings of \$13 million annually. Local governmental entities estimate initial costs of at least \$570,000, ongoing costs of at least \$240,000 annually, and ongoing savings of at least \$5,000 every general election year.



RECEIVED

NOV 17 2022

STATE AUDITORS OFFICE

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

November 17, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Winston Apple regarding a proposed constitutional amendment to Article III, version 3 (2024-004)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Winston Apple on November 17, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

2022 NOV 11 AM 8:53

RECEIVED

John R. Ashcroft

CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do _____ do not _____ (check one) expect to be paid for circulating this petition. If paid, list the payer
_____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20____

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article III of the Constitution is revised by amending Sections 1, 14, 22, and 32 to read as follows:

Section 1. (a) The legislative power shall be vested in a senate and house of representatives to be styled "The General Assembly of the State of Missouri."

(b) To ensure that all political power in Missouri is vested in and derived from the people and founded upon the will of the people only, from and after January 2, 2025, each citizen of Missouri who is eligible to vote shall be able to assign one proxy to any member of the Missouri senate, authorizing that senator to cast votes on their behalf, and one proxy to any member of the Missouri house of representatives, authorizing that representative to cast votes on their behalf. Members of the General Assembly shall cast a number of votes equal to the number of proxies they hold, plus one vote for themselves, on all matters that are voted on in their respective houses, including votes taken in committees and on procedural matters.

(c) Citizens of Missouri may assign their proxies either electronically, through a system of Online Accounts for Politically Active Citizens, or by means of a written (paper) proxy. Citizens may reassign a proxy at any time.

(d) The governor shall establish and maintain a system of Online Accounts for Politically Active Citizens to facilitate the assigning and reassigning of proxies electronically. The governor shall be responsible for ensuring the security of that system and for ensuring the privacy of citizens utilizing the system.

(e) On or before January 2, 2025, the Secretary of State shall create and make available to citizens of Missouri, both electronic and paper versions of a proxy form, a form for citizens to use to reassign their proxies, and a form for citizens to submit to notify the secretary of state if they move out of the state of Missouri or are no longer eligible to vote. When so notified, the Secretary of State shall void their proxies. The Secretary of State shall be responsible for promptly voiding the proxies of citizens who are no longer eligible to vote in Missouri due to being incarcerated or deceased. The Secretary of State shall be responsible for notifying citizens, in the manner in which they have indicated they prefer to be notified, when a legislator to whom they have assigned a proxy vacates her or his office for any reason.

(f) The General Assembly shall pass legislation providing penalties for forging or falsifying proxies, for offering money, or any other thing of value, to influence a citizen with regard to the assignment of their proxies, and for accepting money, or any other thing of value, in exchange for the assignment of a proxy.

(g) Effective with the election to be held on November 3, 2026, and at all subsequent general elections for members of the General Assembly, the proxy forms on file with the Secretary of State shall be treated as the "ballot" for purposes of electing members of the General Assembly. The candidate for the senate in each senatorial district who has been assigned the most proxies by citizens residing in the same senatorial district as the candidate, as of 7 p.m. on the date of the election, shall be elected to the Missouri senate, and the candidate for the house of representatives in each legislative (house) district who has been assigned the most proxies by citizens residing in the same legislative (house) district as the candidate, as of 7 p.m. on the date of the election, shall be elected to the Missouri House of Representatives.

Section 14. [Writs of election to fill vacancies] Vacancies in either house of the general assembly shall be [issued by the governor] filled by the individual who is assigned the most proxies, by citizens of the district in which the vacancy occurred, as of 7 p.m. on the thirtieth day after the vacancy occurs.

Section 22. Every bill shall be referred to a committee of the house in which it is pending.

After it has been referred to a committee, [one-third of] the elected members of the respective houses by a vote of one-third or more shall have power to relieve a committee of further consideration of a bill and place it on the calendar for consideration. Each committee shall keep such record of its proceedings as is required by rule of the respective houses and this record and the recorded vote of the members of the committee shall be filed with all reports on bills.

Each house of the general assembly may provide by rule for such committees of that house as it deems necessary to meet to consider bills or to perform any other necessary legislative function during the interim between the session ending on the thirtieth day of May and the session commencing on the first Wednesday after the first Monday of January.

Section 32. Every bill presented to the governor and returned with his objections shall stand as reconsidered in the house to which it is returned. If the governor returns any bill with his objections on or after the fifth day before the last day upon which a session of the general assembly may consider bills, the general assembly shall automatically reconvene on the first Wednesday following the second Monday in September for a period not to exceed ten calendar days for the sole purpose of considering bills returned by the governor. The objections of the governor shall be entered upon the journal and the house shall proceed to consider the question pending, which shall be in this form: "Shall the bill pass, the objections of the governor thereto notwithstanding?" The vote upon this question shall be taken by yeas and nays and if [two-thirds of the elected members of the house vote] a majority of the votes are in the affirmative the presiding officer of that house shall certify that fact on the roll, attesting the same by his signature, and send the bill with the objections of the governor to the other house, in which like proceedings shall be had in relation thereto. The bill thus certified shall be deposited in the office of the secretary of state as an authentic act and shall become a law.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-004)**

Subject

Initiative petition from Winston Apple regarding a proposed constitutional amendment to Article III. (Received November 17, 2022)

Date

December 7, 2022

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, and the **Clay County Board of Election Commissioners**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated this initiative petition will have no fiscal impact upon their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated subsection (f) indicates "the General Assembly shall pass legislation providing penalties for forging or falsifying proxies". Should this legislation pass, there is a \$0 to unknown impact, dependent upon the penalties provided for at that time.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article III, version 3.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department.

Officials from the **Department of Social Services** indicated no impact for their department.

Officials from the **Governor's office** indicated this proposal relating to establishing citizen representative voting proxies and Online Accounts for Politically Active Citizens will have a fiscal impact of \$528,524 with ongoing costs of approximately \$110,000 for maintenance.

This proposal also replaces the Governor's authority to issue writs of election for General Assembly vacancies with a proxy system to fill vacancies.

This proposal also changes the language regarding the ability of the General Assembly to discharge bills from committee from "one-third of" members to "by a vote of one-third or more".

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated no adverse fiscal impact to their department would be expected because of this proposal.

Officials from the **Department of Transportation** indicated this initiative petition is not projected to have a fiscal impact on their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to establishing Online Accounts for Politically Active Citizens will impact their Division of Information Technology. The division estimates construction of the website envisioned in this initiative will cost \$528,524 with on-going yearly maintenance costs of \$110,000.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated this petition would establish a system of legislative proxies, with each citizen able to assign a proxy to one senator and one representative, then each legislator casting votes in accordance with the number of proxies held. The governor's office will create and maintain the electronic proxy assignment system, but the Secretary of State will be responsible for voiding proxies of citizens who are no longer eligible voters due to death, incarceration, leaving the state, or otherwise becoming ineligible. Additionally, they will also be required to notify citizens, in a manner of their choosing, when one of their assigned proxies leaves office for any reason. In order to provide up-to-date numbers of proxies per legislator to the General Assembly on a timely basis, they anticipate the need for a new Elections Specialist full-time employee (FTE) to handle this workload beginning in fiscal year (FY) 2025. Depending on the notification methods chosen by citizens, they may also incur significant

mailing costs, but the amount of such potential printing and postage is unknown. Furthermore, starting with the November 2026 general election, members of the General Assembly will be "elected" based on the number of proxies held by candidates. It is not clear if primary elections will be affected by this change. For any election which is affected, local election authorities may have some unknown amount of savings due to these races not appearing on their ballots, while the Secretary of State's office expects to commit additional resources to handle candidate proxy assignments in the timeliest possible manner. The scope of these resources and the associated cost are unknown but could be substantial.

Each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimate \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate converting to a proxy system of electing members of the General Assembly will have the following fiscal impacts on Clay County:

- One-time software expense of ~\$2,000 to modify the ballot configuration eliminating the fields for electing State Senators and State Representatives.
- Ongoing savings of ~\$500 in mapping every year due to not having to draw and print General Assembly districts on voting maps.
- Ongoing savings every even election year of ~\$5,000 between both the primary and general elections due to reduced cost for printed ballots.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Article III, version 3.

Officials from **St. Louis County** indicated there are no expected costs to their county.

Officials from the **City of Jefferson** indicated they see little to no fiscal impact to their city resulting from this initiative petition proposing to amend Article III, version 3.

Officials from the **City of Kansas City** indicated this proposed amendment has no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis County Board of Elections** indicated no impact.

Officials from the **Platte County Board of Elections** indicated this proposal would have no fiscal impact on Platte County unless the Secretary of State interprets that removal of proxies for ineligible voters should fall on election authorities.

Officials from the **Jackson County Election Board** indicated:

Assuming the house/senate independent bipartisan citizens commission shall redistrict the house of representatives/senate lines, each election authority would have to incur costs associated with said redistricting and renaming of precincts, redrawing of all jurisdictional lines, mapping adjustments for the website and GIS consultant labor for their respective jurisdictions.	
ESTIMATED COST	\$50,000.00
Assuming this would be very confusing to the voters of Jackson County Election Board's	

voting public, an educational process would need to occur.	
ESTIMATED COST	\$200,000.00
Assuming multiple changes in software related to voting equipment would need to occur.	
ESTIMATED COST	\$250,000.00
	\$500,000.00
This amount is estimated costs by the Jackson County Board of Election Commissioners. More costs might be incurred if more responsibilities of this proposed petition fall to the local jurisdictions.	

Officials from the **Clay County Board of Election Commissioners** indicated as these are written, they cannot see that there would be any cost associated with this petition.

Officials from the **Kansas City Board of Election Commissioners** indicated that if this initiative petition were to become law it would increase the cost of the elections for the reasons listed below.

- The cost to conduct an election is \$650,000. The State would be responsible for an increase in its pro-rata share based on the voter registrations.
- Six additional full time staff would be required at \$40,000 each, including benefits (\$40,000 x 6 = \$240,000).
- Six additional seasonal staff of \$30,000 per election times two state-wide elections per year (\$60,000).
- Additional equipment of \$20,000 for permanent staff and seasonal staff in order for them to be able to process the information as required.
- Voter education of \$100,000 would be required to inform voters about the new law.

The total potential cost could be \$1,070,000.

Additionally, they added security because with this volatile climate, and heightened threats they have already received they believe this will create even more unrest, which would require another \$25,000 in security per elections up until the day of certification.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the**

City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, St. Louis Community College, and the Board of Election Commissioners City of St. Louis.

Fiscal Note Summary

State governmental entities estimate initial costs of \$500,000 and ongoing costs of at least \$100,000 annually. Local governmental entities estimate initial costs of at least \$570,000, ongoing costs of at least \$240,000 annually, and ongoing savings of at least \$500 annually and \$5,000 every general election year.



RECEIVED

NOV 17 2022

STATE AUDITORS OFFICE

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

November 17, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Winston Apple regarding a proposed constitutional amendment to Article III, version 2 (2024-003)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Winston Apple on November 17, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
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15.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do ____ do not ____ (check one) expect to be paid for circulating this petition. If paid, list the payer
_____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20__

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article III of the Constitution is revised by amending Sections 1, 22, and 32 to read as follows:

Section 1. (a) The legislative power shall be vested in a senate and house of representatives to be styled "The General Assembly of the State of Missouri."

(b) To ensure that all political power in Missouri is vested in and derived from the people and founded upon the will of the people only, from and after January 2, 2025, each citizen of Missouri who is eligible to vote shall be able to assign one proxy to any member of the Missouri senate, authorizing that senator to cast votes on their behalf, and one proxy to any member of the Missouri house of representatives, authorizing that representative to cast votes on their behalf. Members of the General Assembly shall cast a number of votes equal to the number of proxies they hold, plus one vote for themselves, on all matters that are voted on in their respective houses, including votes taken in committees and on procedural matters.

(c) Citizens of Missouri may assign their proxies either electronically, through a system of Online Accounts for Politically Active Citizens, or by means of a written (paper) proxy. Citizens may reassign a proxy at any time.

(d) The governor shall establish and maintain a system of Online Accounts for Politically Active Citizens to facilitate the assigning and reassigning of proxies electronically. The governor shall be responsible for ensuring the security of that system and for ensuring the privacy of citizens utilizing the system.

(e) On or before January 2, 2025, the Secretary of State shall create and make available to citizens of Missouri, both electronic and paper versions of a proxy form, a form for citizens to use to reassign their proxies, and a form for citizens to submit to notify the secretary of state if they move out of the state of Missouri or are no longer eligible to vote. When so notified, the Secretary of State shall void their proxies. The Secretary of State shall be responsible for promptly voiding the proxies of citizens who are no longer eligible to vote in Missouri due to being incarcerated or deceased. The Secretary of State shall be responsible for notifying citizens, in the manner in which they have indicated they prefer to be notified, when a legislator to whom they have assigned a proxy vacates her or his office for any reason.

(f) The General Assembly shall pass legislation providing penalties for forging or falsifying proxies, for offering money, or any other thing of value, to influence a citizen with regard to the assignment of their proxies, and for accepting money, or any other thing of value, in exchange for the assignment of a proxy.

Section 22. Every bill shall be referred to a committee of the house in which it is pending.

After it has been referred to a committee, [one-third of] the elected members of the respective houses by a vote of one-third or more shall have power to relieve a committee of further consideration of a bill and place it on the calendar for consideration. Each committee shall keep such record of its proceedings as is required by rule of the respective houses and this record and the recorded vote of the members of the committee shall be filed with all reports on bills.

Each house of the general assembly may provide by rule for such committees of that house as it deems necessary to meet to consider bills or to perform any other necessary legislative function during the interim between the session ending on the thirtieth day of May and the session commencing on the first Wednesday after the first Monday of January.

Section 32. Every bill presented to the governor and returned with his objections shall stand as reconsidered in the house to which it is returned. If the governor returns any bill with his objections on or after the fifth day before the last day upon which a session of the general assembly may consider bills, the general assembly shall automatically reconvene on the first Wednesday following the second Monday in September for a period not to exceed ten calendar days for the sole purpose of considering bills returned by the governor. The objections of the governor shall be entered upon the journal and the house shall proceed to consider the question pending, which shall be in this form: "Shall the bill pass, the objections of the governor thereto notwithstanding?" The vote upon this question shall be taken by yeas and nays and if [two-thirds of the elected members of the house vote] a majority of the votes are in the affirmative the presiding officer of that house shall certify that fact on the roll, attesting the same by his signature, and send the bill with the objections of the governor to the other house, in which like proceedings shall be had in relation thereto. The bill thus certified shall be deposited in the office of the secretary of state as an authentic act and shall become a law.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-003)**

Subject

Initiative petition from Winston Apple regarding a proposed constitutional amendment to Article III. (Received November 17, 2022)

Date

December 7, 2022

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, and the **Clay County Board of Election Commissioners**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated it will have no fiscal impact upon their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated subsection (f) indicates "the General Assembly shall pass legislation providing penalties for forging or falsifying proxies". Should this legislation pass, there is a \$0 to unknown impact, dependent upon the penalties provided for at that time.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article III, version 2.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department.

Officials from the **Department of Social Services** indicated no impact for their department.

Officials from the **Governor's office** indicated this proposal relating to establishing citizen representative voting proxies and Online Accounts for Politically Active Citizens will have a fiscal impact of \$528,524 with ongoing costs of approximately \$110,000 for maintenance.

This proposal also changes the number of General Assembly votes necessary to override a Governor's veto from 2/3rds of the body to 1/2 of the body.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated no adverse fiscal impact to their department would be expected because of this proposal.

Officials from the **Department of Transportation** indicated this initiative petition is not projected to have a fiscal impact on their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to establishing Online Accounts for Politically Active Citizens will impact their Division of Information Technology. The division estimates construction of the website envisioned in this initiative will cost \$528,524 with on-going yearly maintenance costs of \$110,000.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated this petition would establish a system of legislative proxies, with each citizen able to assign a proxy to one senator and one representative, then each legislator casting votes in accordance with the number of proxies held. The governor's office will create and maintain the electronic proxy assignment system, but the Secretary of State will be responsible for voiding proxies of citizens who are no longer eligible voters due to death, incarceration, leaving the state, or otherwise becoming ineligible. Additionally, their office will also be required to notify citizens, in a manner of their choosing, when one of their assigned proxies leaves office for any reason. In order to provide up-to-date numbers of proxies per legislator to the General Assembly on a timely basis, they anticipate the need for a new Elections Specialist full-time employee (FTE) to handle this workload beginning in fiscal year (FY) 2025. Depending on the notification methods chosen by citizens, they may also incur significant mailing costs, but the amount of such potential printing and postage is unknown.

Each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated we estimate this petition would have no additional costs or savings for their county.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Article III, version 2.

Officials from **St. Louis County** indicated there are no expected costs to their county.

Officials from the **City of Jefferson** indicated they see little to no fiscal impact to their city resulting from this initiative petition proposing to amend Article III, version 2.

Officials from the **City of Kansas City** indicated this proposed amendment has no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis County Board of Elections** indicated no impact.

Officials from the **Platte County Board of Elections** indicated this proposal would have no fiscal impact on Platte County unless the Secretary of State interprets that removal of proxies for ineligible voters should fall on election authorities.

Officials from the **Jackson County Election Board** indicated:

Assuming the house/senate independent bipartisan citizens commission shall redistrict the house of representatives/senate lines, each election authority would have to incur costs associated with said redistricting and renaming of precincts, redrawing of all jurisdictional lines, mapping adjustments for the website and GIS consultant labor for their respective jurisdictions.	
ESTIMATED COST	\$50,000.00
Assuming this would be very confusing to the voters of Jackson County Election Board's voting public, an educational process would need to occur.	
ESTIMATED COST	\$200,000.00
Assuming multiple changes in software related to voting equipment would need to occur.	
ESTIMATED COST	\$250,000.00
	\$500,000.00

This amount is estimated costs by the Jackson County Board of Election Commissioners. More costs might be incurred if more responsibilities of this proposed petition fall to the local jurisdictions.	

Officials from the **Clay County Board of Election Commissioners** indicated as these are written, they can't see that there would be any cost associated with this petition.

Officials from the **Kansas City Board of Election Commissioners** indicated that if this initiative petitions were to become law it would increase the cost of the elections for the reasons listed below.

- The cost to conduct an election is \$650,000. The State would be responsible for an increase in its pro-rata share based on the voter registrations.
- Six additional full time staff would be required at \$40,000 each, including benefits (\$40,000 x 6 = \$240,000).
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The total potential cost could be \$1,070,000.

Additionally, they added security because with this volatile climate, and heightened threats they have already received they believe this will create even more unrest, which would require another \$25,000 in security per elections up until the day of certification.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, St. Louis Community College, and the Board of Election Commissioners City of St. Louis.**

Fiscal Note Summary

State governmental entities estimate initial costs of \$500,000 and ongoing costs of at least \$100,000 annually. Local governmental entities estimate initial costs of at least \$300,000.



RECEIVED

NOV 17 2022

STATE AUDITORS OFFICE

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

November 17, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Winston Apple regarding a proposed constitutional amendment to Article III, version 1 (2024-002)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Winston Apple on November 17, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION

To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator's Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
2.					
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15.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do _____ do not _____ (check one) expect to be paid for circulating this petition. If paid, list the payer
_____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20__

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article III of the Constitution is revised by amending Sections 1 and 22 to read as follows:

Section 1. (a) The legislative power shall be vested in a senate and house of representatives to be styled "The General Assembly of the State of Missouri."

(b) To ensure that all political power in Missouri is vested in and derived from the people and founded upon the will of the people only, from and after January 2, 2025, each citizen of Missouri who is eligible to vote shall be able to assign one proxy to any member of the Missouri senate, authorizing that senator to cast votes on their behalf, and one proxy to any member of the Missouri house of representatives, authorizing that representative to cast votes on their behalf. Members of the General Assembly shall cast a number of votes equal to the number of proxies they hold, plus one vote for themselves, on all matters that are voted on in their respective houses, including votes taken in committees and on procedural matters.

(c) Citizens of Missouri may assign their proxies either electronically, through a system of Online Accounts for Politically Active Citizens, or by means of a written (paper) proxy. Citizens may reassign a proxy at any time.

(d) The governor shall establish and maintain a system of Online Accounts for Politically Active Citizens to facilitate the assigning and reassigning of proxies electronically. The governor shall be responsible for ensuring the security of that system and for ensuring the privacy of citizens utilizing the system.

(e) On or before January 2, 2025, the Secretary of State shall create and make available to citizens of Missouri, both electronic and paper versions of a proxy form, a form for citizens to use to reassign their proxies, and a form for citizens to submit to notify the secretary of state if they move out of the state of Missouri or are no longer eligible to vote. When so notified, the Secretary of State shall void their proxies. The Secretary of State shall be responsible for promptly voiding the proxies of citizens who are no longer eligible to vote in Missouri due to being incarcerated or deceased. The Secretary of State shall be responsible for notifying citizens, in the manner in which they have indicated they prefer to be notified, when a legislator to whom they have assigned a proxy vacates her or his office for any reason.

(f) The General Assembly shall pass legislation providing penalties for forging or falsifying proxies, for offering money, or any other thing of value, to influence a citizen with regard to the assignment of their proxies, and for accepting money, or any other thing of value, in exchange for the assignment of a proxy.

Section 22. Every bill shall be referred to a committee of the house in which it is pending.

After it has been referred to a committee, [one-third of] the elected members of the respective houses by a vote of one-third or more shall have power to relieve a committee of further consideration of a bill and place it on the calendar for consideration. Each committee shall keep such record of its proceedings as is required by rule of the respective houses and this record and the recorded vote of the members of the committee shall be filed with all reports on bills.

Each house of the general assembly may provide by rule for such committees of that house as it deems necessary to meet to consider bills or to perform any other necessary legislative function during the interim between the session ending on the thirtieth day of May and the session commencing on the first Wednesday after the first Monday of January.

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-002)**

Subject

Initiative petition from Winston Apple regarding a proposed constitutional amendment to Article III. (Received November 17, 2022)

Date

December 7, 2022

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, and the **Clay County Board of Election Commissioners**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated this will result in no fiscal impact for their department.

Officials from the **Department of Elementary and Secondary Education** indicated this will have no fiscal impact upon their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated subsection (f) indicates "the General Assembly shall pass legislation providing penalties for forging or falsifying proxies". Should this legislation pass, there is a \$0 to unknown impact, dependent upon the penalties provided for at that time.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition proposing to amend Article III, version 1.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department.

Officials from the **Department of Social Services** indicated no impact for their department.

Officials from the **Governor's office** indicated this proposal relating to establishing citizen representative voting proxies and Online Accounts for Politically Active Citizens will have a fiscal impact of \$528,524 with ongoing costs of approximately \$110,000 for maintenance.

This proposal also changes the language regarding the ability of the General Assembly to discharge bills from committee from "one-third of" members to "by a vote of one-third or more".

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated no adverse fiscal impact to their department would be expected because of this proposal.

Officials from the **Department of Transportation** indicated this initiative petition is not projected to have a fiscal impact on their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to establishing Online Accounts for Politically Active Citizens will impact their Division of Information Technology. The division estimates construction of the website envisioned in this initiative will cost \$528,524 with on-going yearly maintenance costs of \$110,000.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated this petition would establish a system of legislative proxies, with each citizen able to assign a proxy to one senator and one representative, then each legislator casting votes in accordance with the number of proxies held. The governor's office will create and maintain the electronic proxy assignment system, but the Secretary of State will be responsible for voiding proxies of citizens who are no longer eligible voters due to death, incarceration, leaving the state, or otherwise becoming ineligible. Additionally, their office will also be required to notify citizens, in a manner of their choosing, when one of their assigned proxies leaves office for any reason. In order to provide up-to-date numbers of proxies per legislator to the General Assembly on a timely basis, they anticipate the need for a new Elections Specialist full-time employee to handle this workload beginning in fiscal year (FY) 2025. Depending on the notification methods chosen by citizens, they may also incur significant mailing costs, but the amount of such potential printing and postage is unknown.

Each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate this petition would have no additional costs or savings for their county.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Article III, version 1.

Officials from **St. Louis County** indicated there are no expected costs to their county.

Officials from the **City of Jefferson City** indicated they see little to no fiscal impact to their city resulting from this initiative petition proposing to amend Article III, version 1.

Officials from the **City of Kansas City** indicated this proposed amendment has no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis County Board of Elections** indicated no impact.

Officials from the **Platte County Board of Elections** indicated this proposal would have no fiscal impact on their county unless the Secretary of State interprets that removal of proxies for ineligible voters should fall on election authorities.

Officials from the **Jackson County Election Board** indicated:

Assuming the house/senate independent bipartisan citizens commission shall redistrict the house of representatives/senate lines, each election authority would have to incur costs associated with said redistricting and renaming of precincts, redrawing of all jurisdictional lines, mapping adjustments for the website and GIS consultant labor for their respective jurisdictions.	
ESTIMATED COST	\$50,000.00
Assuming this would be very confusing to the voters of Jackson County Election Board's voting public, an educational process would need to occur.	
ESTIMATED COST	\$200,000.00
Assuming multiple changes in software related to voting equipment would need to occur.	
ESTIMATED COST	\$250,000.00
	\$500,000.00
This amount is estimated costs by the Jackson County Board of Election Commissioners. More costs might be incurred if more responsibilities of this proposed petition fall to the local jurisdictions.	

Officials from the **Clay County Board of Election Commissioners** indicated as these are written, they can't see that there would be any cost associated with this petition.

Officials from the **Kansas City Board of Election Commissioners** indicated that if this initiative petition were to become law it would increase the cost of the elections for the reasons listed below.

- The cost to conduct an election is \$650,000. The State would be responsible for an increase in its pro-rata share based on the voter registrations.
- Six additional full time staff would be required at \$40,000 each, including benefits (\$40,000 x 6 = \$240,000).
- Six additional seasonal staff of \$30,00 per election times two state-wide elections per year (\$60,000).
- Additional equipment of \$20,000 for permanent staff and seasonal staff in order for them to be able to process the information as required.
- Voter education of \$100,000 would be required to inform voters about the new law.

The total potential cost could be \$1,070,000.

Additionally, they added security because with this volatile climate, and heightened threats they have already received, they believe this will create even more unrest, which would require another \$25,000 in security per elections up until the day of certification.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, St. Louis Community College, and the Board of Election Commissioners City of St. Louis.**

Fiscal Note Summary

State governmental entities estimate initial costs of \$500,000 and ongoing costs of at least \$100,000 annually. Local governmental entities estimate initial costs of at least \$300,000.



RECEIVED

NOV 17 2022

STATE AUDITORS OFFICE

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

ELECTIONS DIVISION
(573) 751-2301

November 17, 2022

The Honorable Nicole Galloway
State Auditor
State Capitol Building
Jefferson City, MO 65101

RE: Petition approval request from Winston Apple regarding a proposed constitutional amendment to Article III, Section 50 (2024-001)

Dear Auditor Galloway:

Enclosed please find an initiative petition sample sheet for a proposal to amend the Missouri Constitution filed by Winston Apple on November 17, 2022.

We are referring the enclosed petition sample sheet to you for the purposes of preparing a fiscal note and fiscal note summary as required by Section 116.332, RSMo. Section 116.175.2, RSMo requires the state auditor to forward the fiscal note and fiscal note summary to the attorney general within twenty days of receipt of the petition sample sheet.

Thank you for your immediate consideration of this request.

Sincerely,

John R. Ashcroft

cc: Hon. Eric S. Schmitt
Sheri Hoffman
Trish Vincent

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

INITIATIVE PETITION


To the Honorable John R. Ashcroft, Secretary of State for the State of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or city of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Missouri and _____ County (or city of St. Louis); my registered voting address and name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

2022 NOV 17 AM 8:50

RECEIVED



CIRCULATOR’S AFFIDAVIT, STATE OF MISSOURI, COUNTY OF _____

I, _____, being first duly sworn, say (print or type names of signers)
(Petition Circulator’s Printed Name)

NAME (Signature)	DATE SIGNED	REGISTERED VOTING ADDRESS (Street) (City, Town or Village)	Zip Code	Congr. Dist.	NAME (Printed or Typed)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County.

FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY.

I am at least 18 years of age, I do ____ do not ____ (check one) expect to be paid for circulating this petition. If paid, list the payer
_____.

Signature of Affiant (Person obtaining signatures)

Street address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Subscribed and sworn to before me this _____ day of _____, A.D. 20__

Signature of Notary

Notary Public (Seal)

Address of Notary

My commission expires: _____

Be it resolved by the people of the state of Missouri that the Constitution be amended:

Article III of the Constitution is revised by amending Section 50 to read as follows:

Section 50. Initiative petitions proposing amendments to the constitution shall [be] have paper copies signed by, or electronic statements of support submitted by, eight percent of the legal voters in each of two-thirds of the congressional districts in the state of Missouri, and petitions proposing laws shall [be] have paper copies signed by, or electronic statements of support submitted by, five percent of such voters. The governor shall facilitate electronic filing of statements of support by establishing and maintaining a system of Online Accounts for Politically Active Citizens. The governor shall be responsible for ensuring the security of that system and ensuring the privacy of citizens utilizing that system. The secretary of state shall create a suitable form for electronic statements of support and make them available to citizens. Every such petition or statement of support shall be filed with the secretary of state or be submitted electronically not less than six months before the election and shall contain an enacting clause and the full text of the measure. Petitions for constitutional amendments shall not contain more than one amended and revised article of this constitution, or one new article which shall not contain more than one subject and matters properly connected therewith, and the enacting clause thereof shall be "Be it resolved by the people of the state of Missouri that the Constitution be amended:". Petitions for laws shall contain not more than one subject which shall be expressed clearly in the title, and the enacting clause thereof shall be "Be it enacted by the people of the state of Missouri:".

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (24-001)**

Subject

Initiative petition from Winston Apple regarding a proposed constitutional amendment to Article III. (Received November 17, 2022)

Date

December 7, 2022

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, and the **Clay County Board of Election Commissioners**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated this will result in no fiscal impact for their department.

Officials from the **Department of Elementary and Secondary Education** indicated this will have no fiscal impact upon their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they would defer to the Office of Administration - Information Technology Services Division as to the cost involved in setting up a system for this initiative petition proposing to amend Article III.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department.

Officials from the **Department of Social Services** indicated no impact for their department.

Officials from the **Governor's office** indicated this proposal relating to establishing Online Accounts for Politically Active Citizens will have a fiscal impact of \$528,524 with ongoing costs of approximately \$110,000 for maintenance.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated no adverse fiscal impact to their department would be expected because of this proposal.

Officials from the **Department of Transportation** indicated this initiative petition is not projected to have a fiscal impact on their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to establishing Online Accounts for Politically Active Citizens will impact their Division of Information Technology. The division estimates construction of the website envisioned in this initiative will cost \$528,524 with on-going yearly maintenance costs of \$110,000.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated this petition would create a method for citizens to provide electronic statements of support for ballot initiatives in lieu of signing a paper petition. The governor's office will create and maintain the electronic support system, but the Secretary of State retains responsibility for processing the statements of support and applying them towards the sufficiency of the petition in question. Currently, their office uses an internal petition management system and so any modifications required to interface the two systems would be expected to use existing information technology resources. However, depending on the volume of electronic support statements submitted, it is possible that a new Elections Specialist full-time employee (FTE) may be required to handle the additional workload beginning in fiscal year (FY) 2025.

Each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate this petition would have no additional costs or savings for their county.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition proposing to amend Article III.

Officials from **St. Louis County** indicated there are no expected costs to their county.

Officials from the **City of Jefferson City** indicated they see no, to little, fiscal impact to their city resulting from this initiative petition proposing to amend Article III.

Officials from the **City of Kansas City** indicated this proposed amendment has no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis County Election Board** indicated no impact.

Officials from the **Kansas City Board of Election Commissioners** indicated that if this initiative petition were to become law they anticipate this would increase the number of signatures they would verify. This would require that they hire 5-10 seasonal employees at

\$80,000 plus overtime for both seasonal and permanent staff. Online signatures are already illegible. This would most certainly increase the potential for fraud.

Officials from **Platte County Board of Elections** indicated this proposal would have no fiscal impact on their board.

Officials from the **Jackson County Election Board** indicated \$0 - \$15,000 impact for additional signatures.

Officials from the **Clay County Board of Election Commissioners** indicated as these are written, they cannot see that there would be any cost associated with this petition.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, St. Louis Community College, and the Board of Election Commissioners City of St. Louis.**

Fiscal Note Summary

State governmental entities estimate initial costs of \$500,000 and ongoing costs of \$100,000 annually. Local governmental entities estimate ongoing cost of at least \$95,000 every general election year.